JIAXIN
INTERNATIONAL RESOURCE

佳鑫國際資源投資有限公司
Jiaxin International Resources Investment Limited

(Incorporated in Hong Kong with limited liability)

Stock Code: 3858

GLOBAL OFFERING

Sole Sponsor, Sole Representative and Sole Sponsor-Overall Coordinator

CICC 中金公司

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CICC 中金公司

中國銀河國際
CHINA GALAXY INTERNATIONAL

IMPORTANT: If you have doubt about any of the contents in this prospectus, you should obtain independent professional advice.

JIAXIN
INTERNATIONAL RESOURCE

Jiaxin International Resources Investment Limited
佳鑫國際資源投資有限公司

(Incorporated in Hong Kong with limited liability)

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**109,808,800 Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**10,981,200 Shares (subject to reallocation)**
Number of International Offer Shares	**:**	**98,827,600 Shares (subject to reallocation and the Over-allotment Option)**
Offer Price	**:**	**HK$10.92 per Offer Share, plus brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015% (payable in full on application in Hong Kong dollars and subject to refund)**
Stock code	**:**	**3858**

Sole Sponsor, Sole Representative and Sole Sponsor-Overall Coordinator

CICC 中金公司

Overall Coordinators, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CICC 中金公司

中國銀河國際 CHINA GALAXY INTERNATIONAL

Joint Bookrunners and Joint Lead Managers

CMB International　Celestial Securities　ABCI　Tiger　AVIC INTERNATIONAL

Joint Lead Manager

Lighthouse Capital

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies and Available on Display — 1. Documents delivered to the Registrar of Companies" in Appendix VII to this prospectus, has been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other documents referred to above.

The Offer Price will be HK$10.92 per Offer Share, unless otherwise announced. The AIX Offer Price will be RMB9.93 (equivalent to HK$10.92) per Offer Share, at the rate of RMB0.90964 to HK$1.00. The offer price on the Stock Exchange and the AIX (i.e. the Offer Price and the AIX Offer Price) are the same.

Approximately 1.2% of the total number of Offer Shares (subject to reallocation and assuming the Over-allotment Option is not exercised) offered for subscription by our Company will be offered for subscription on the AIX. Therefore, our Company will offer 1,317,600 Shares through the AIX Offering as part of the Global Offering. In connection with the AIX Offering, application has been made to the AIX to: (i) admit our Shares to the Official List of the AIX; and (ii) admit the Shares to trading on the AIX. Under the AIX Offering, our Company will offer 1,317,600 Shares through the AIX Offering, which represents approximately 0.3% of the enlarged issued capital of the our Company (assuming the Over-allotment Option is not exercised). The AIX Offering will be carried out in accordance with this prospectus under the relevant AIX and AIFC rules and regulations. The AIX Offering will be led by and managed solely by the AIX bookrunners. Prospective investors who intend to participate in the AIX Offering should review this prospectus, which contains important information about the AIX Offering.

The Sole Representative (for itself and on behalf of the other Underwriters) may, with our consent, reduce the number of Offer Shares being offered under the Global Offering and/or the Offer Price at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.jiaxinir.com as soon as practicable following such decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering. For further information, please see the sections headed "Structure of the Global Offering" and "How to apply for Hong Kong Offer Shares" in this prospectus.

The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement are subject to termination by the Sole Representative (for itself and on behalf of the other Hong Kong Underwriters) if certain grounds arise prior to 8:00 a.m. on the Listing Date. See the section headed "Underwriting — Underwriting Arrangements — Hong Kong Public Offering — Grounds for Termination" in this prospectus.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any state securities law in the United States and may not be offered, sold, pledged or otherwise transferred within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in accordance with any applicable U.S. state securities laws.

ATTENTION

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus to the public in relation to the Hong Kong Public Offering.

This prospectus is available at the websites of the Stock Exchange (www.hkexnews.hk) and our Company (www.jiaxinir.com). If you require a printed copy of this prospectus, you may download and print from the website addresses above.

August 20, 2025

IMPORTANT NOTICE TO INVESTORS: FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering. We will not provide printed copies of this prospectus in relation to the Hong Kong Public Offering.

This prospectus is available at the website of the Stock Exchange at **www.hkexnews.hk** under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at **www.jiaxinir.com**. You may download and print from these website addresses if you want a printed copy of this prospectus.

To apply for the Hong Kong Offer Shares, you may:

(1) apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or

(2) apply electronically through the **HKSCC EIPO** channel and cause HKSCC Nominees to apply on your behalf by instructing your broker or custodian who is a HKSCC Participant to give electronic application instructions via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf.

We will not provide any physical channels to accept any application for the Hong Kong Offer Shares by the public. The contents of the electronic version of this prospectus are identical to the printed prospectus as registered with the Registrar of Companies in Hong Kong pursuant to section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

If you are an intermediary, broker or agent, please remind your customers, clients or principals, as applicable, that this prospectus is available online at the website addresses stated above.

Please refer to the section headed "*How to Apply for Hong Kong Offer Shares*" in this prospectus for further details on the procedures through which you can apply for the Hong Kong Offer Shares electronically.

Your application through the **White Form eIPO** service or the **HKSCC EIPO** channel must be made for a minimum of 400 Hong Kong Offer Shares and in multiples of that number of Hong Kong Offer Shares as set out in the table below. No application for any other number of Hong Kong Offer Shares will be considered and such an application is liable to be rejected.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application	No. of Hong Kong Offer Shares applied for	Amount payable[2] on application
	HK$		*HK$*		*HK$*		*HK$*
400	4,412.06	8,000	88,241.03	70,000	772,108.98	900,000	9,927,115.38
800	8,824.10	10,000	110,301.28	80,000	882,410.26	1,000,000	11,030,128.20
1,200	13,236.15	12,000	132,361.54	90,000	992,711.54	1,500,000	16,545,192.30
1,600	17,648.21	14,000	154,421.80	100,000	1,103,012.82	2,000,000	22,060,256.40
2,000	22,060.25	16,000	176,482.05	200,000	2,206,025.65	2,500,000	27,575,320.50
2,400	26,472.31	18,000	198,542.31	300,000	3,309,038.45	3,000,000	33,090,384.60
2,800	30,884.37	20,000	220,602.57	400,000	4,412,051.28	3,500,000	38,605,448.70
3,200	35,296.40	30,000	330,903.85	500,000	5,515,064.10	4,000,000	44,120,512.80
3,600	39,708.46	40,000	441,205.13	600,000	6,618,076.92	4,500,000	49,635,576.90
4,000	44,120.52	50,000	551,506.41	700,000	7,721,089.75	5,000,000	55,150,641.00
6,000	66,180.77	60,000	661,807.69	800,000	8,824,102.55	5,490,400[1]	60,559,815.87

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC; and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the AFRC).

*If there is any change in the following expected timetable of the Hong Kong Public Offering, we will issue an announcement on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.jiaxinir.com**.*

Hong Kong Public Offering commences . . . . .9:00 a.m. HKT on Wednesday, August 20, 2025

Bookbuilding on the AIX commences . . . . .9:00 a.m. ALMT on Wednesday, August 20, 2025

Latest time to complete electronic applications under **White Form eIPO** service through the designated website at **www.eipo.com.hk**(2) . . . . .11:30 a.m. HKT on Monday, August 25, 2025

Application lists of the Hong Kong Public Offering open(3) . . . . .11:45 a.m. HKT on Monday, August 25, 2025

Latest time for (a) completing payment of **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s); and (b) giving **electronic application instructions** to HKSCC(4) . . . . .12:00 noon HKT on Monday, August 25, 2025

If you are instructing your **broker** or **custodian** who is a HKSCC Participant to apply for Hong Kong Offer Shares on your behalf, you are advised to contact your **broker** or **custodian** for the latest time for giving such instructions, which may be different from the latest time as stated above.

Application lists of the Hong Kong Public Offering close(3). . . . . 12:00 noon HKT on Monday, August 25, 2025

Bookbuilding on the AIX closes. . . . . .12:00 noon ALMT on Monday, August 25, 2025

Announcement of:

- the level of indication of interest in the International Offering;
- the level of applications in the Hong Kong Public Offering; and
- the basis of allocation of the Hong Kong Offer Shares

to be published on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.jiaxinir.com**(5) at or before(9) . . . . 11:00 p.m. HKT on Wednesday, August 27, 2025

Results of allocations in the Hong Kong Public Offering (with successful applicants' identification document numbers, where appropriate) to be available through a variety of channels, including:

- in the announcement to be posted on the websites of the Stock Exchange at **www.hkexnews.hk** and our Company at **www.jiaxinir.com**(5), respectively(9) . . . . at or before 11:00 p.m. HKT on Wednesday, August 27, 2025

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function from(9) . . . . .11:00 p.m. HKT on Wednesday, August 27, 2025 to 12:00 midnight HKT on Tuesday, September 2, 2025

- from the allocation results telephone enquiry by calling +852 2862 8555 between 9:00 a.m. HKT and 6:00 p.m. HKT on(9) . . . . Thursday, August 28, 2025 HKT, Friday, August 29, 2025 HKT, Monday, September 1, 2025 HKT and Tuesday, September 2, 2025 HKT

Results of allocation of the AIX Offering will be available through AIX facilities . . . . .Wednesday, August 27, 2025 ALMT

Share certificates in respect of wholly or partially successful applications to be despatched or deposited into CCASS on or before(6)(8)(9) . . . . .Wednesday, August 27, 2025 HKT

White Form e-Refund payment instructions/refund cheques in respect of wholly or partially successful applications to be despatched on or before(7)(8)(9) . . . . .Thursday, August 28, 2025 HKT

Dealings in the Shares on the Stock Exchange expected to commence at 9:00 a.m. HKT on(9) . . . . .Thursday, August 28, 2025 HKT

Dealings in the Shares on the AIX expected to commence on 11:00 a.m. ALMT on(9) . . . . .Thursday, August 28, 2025 ALMT

Notes:

(1) HKT means time of Hong Kong. ALMT means time of Almaty, Kazakhstan. Unless otherwise stated, all times and dates set out in this prospectus refer to Hong Kong local dates and times.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. HKT on the last day for submitting applications. If you have already submitted your application and obtained an application reference number from the designated website prior to 11:30 a.m. HKT, you will be permitted to continue the application process (by completing payment of application monies) until 12:00 noon HKT on the last day for submitting applications, when the application lists close.

(3) If there is/are a tropical cyclone warning signal number 8 or above, a "black" rainstorm warning signal and/or Extreme Conditions in force in Hong Kong at any time between 9:00 a.m. HKT and 12:00 noon HKT on Monday, August 25, 2025, the application lists will not open or close on that day. For further details, see the section headed "How to Apply for Hong Kong Offer Shares — E. Severe Weather Arrangements." in this prospectus.

(4) Applicants who apply for Hong Kong Offer Shares by instructing your broker/custodian to give **electronic application instructions** to HKSCC through HKSCC's FINI system should refer to the section headed "How to Apply for Hong Kong Offer Shares — A. Application for Hong Kong Offer Shares — 2. Application Channels" in this prospectus.

(5) None of the websites set out in this section or any of the information contained on the websites forms part of this prospectus.

(6) Share certificates will only become valid evidence of title at 8:00 a.m. HKT on the Listing Date provided that the Global Offering has become unconditional and the right of termination described in the section headed "Underwriting — Underwriting Arrangements — Hong Kong Public Offering — Grounds for Termination" in this prospectus has not been exercised. Investors who trade the Shares on the basis of publicly available allocation details prior to the receipt of share certificates or prior to the share certificates becoming valid evidence of title do so entirely at their own risk.

(7) **White Form** e-Refund payment instructions/refund cheques will be issued in respect of wholly or partially unsuccessful applications pursuant to the Hong Kong Public Offering. Part of the applicant's Hong Kong identity card number or passport number, or, if the application is made by joint applicants, part of the Hong Kong identity card number or passport number of the first-named applicant, provided by the applicant(s) may be printed on the refund cheque, if any. Such data would also be transferred to a third party for refund purposes. Banks may require verification of an applicant's Hong Kong identity card number or passport number before encashment of the refund cheque. Inaccurate completion of an applicant's Hong Kong identity card number or passport number may invalidate or delay encashment of the refund cheque.

(8) Applicants being individuals who are eligible for personal collection may not authorize any other person to collect on their behalf. Applicants being corporations which are eligible for personal collection must attend through their authorized representatives bearing letters of authorization from their corporation stamped with the corporation's chop. Both individuals and authorized representatives of corporations must produce evidence of identity acceptable to our Hong Kong Share Registrar at the time of collection.

Applicants who have applied for Hong Kong Offer Shares through HKSCC EIPO channel should refer to the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies" in this prospectus for details.

Applicants who have applied through the **White Form eIPO** service and paid their applications monies through single bank accounts may have refund monies (if any) despatched to the bank account in the form of **White Form** e-Refund payment instructions. Applicants who have applied through the **White Form eIPO** service and paid their application monies through multiple bank accounts may have refund monies (if any) despatched to the address as specified in their application instructions in the form of refund cheques by ordinary post at their own risk.

Further information is set out in the section headed "How to Apply for Hong Kong Offer Shares — D. Despatch/Collection of Share Certificates and Refund of Application Monies" in this prospectus.

(9) In case a typhoon warning signal number 8 or above, a "black" rainstorm warning signal and/or Extreme Conditions is/are in force in Hong Kong in any days between Wednesday, August 20, 2025 HKT to Thursday, August 28, 2025 HKT, then the day of (i) announcement of results of allocations in the Hong Kong Public Offering; (ii) despatch of Share certificates and refund cheques/**White Form** e-Refund payment instructions; and (iii) dealings in the Shares on the Stock Exchange may be postponed and an announcement may be made in such event.

The above expected timetable is a summary only. For further details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see the sections headed "Structure of the Global Offering" and "How to Apply for Hong Kong Offer Shares" respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such case, our Company will make an announcement as soon as practicable thereafter.

IMPORTANT NOTICE TO INVESTORS

This prospectus is issued by us solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Offer Shares or the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

You should rely only on the information contained in this prospectus to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorized anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus must not be relied on by you as having been authorized by us, the Sole Sponsor, the Sole Representative, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries any of the Underwriters, any of our or their respective directors, officers, employees, agents, representatives or professional advisors of any of them, or any other person or party involved in the Global Offering.

PAGE

EXPECTED TIMETABLE i

CONTENTS v

SUMMARY 1

DEFINITIONS 39

GLOSSARY OF TECHNICAL TERMS 55

FORWARD-LOOKING STATEMENTS 63

RISK FACTORS 65

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES 108

INFORMATION ABOUT THIS PROSPECTUS AND THE GLOBAL OFFERING	112
DIRECTORS AND PARTIES INVOLVED IN THE GLOBAL OFFERING	119
CORPORATE INFORMATION	126
INDUSTRY OVERVIEW	128
REGULATORY OVERVIEW	146
HISTORY AND CORPORATE STRUCTURE	203
BUSINESS	225
RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS	333
CONNECTED TRANSACTIONS	341
DIRECTORS AND SENIOR MANAGEMENT	362
SHARE CAPITAL	390
SUBSTANTIAL SHAREHOLDERS	393
CORNERSTONE INVESTORS	396
FINANCIAL INFORMATION	403
FUTURE PLANS AND USE OF PROCEEDS	452
UNDERWRITING	456
STRUCTURE OF THE GLOBAL OFFERING	471
HOW TO APPLY FOR HONG KONG OFFER SHARES	487
LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT	506
APPENDIX I – ACCOUNTANT'S REPORT	I-1
APPENDIX II – UNAUDITED PRO FORMA FINANCIAL INFORMATION	II-1
APPENDIX III – INDEPENDENT TECHNICAL REPORT	III-1

APPENDIX IV	**–**	**SUMMARY OF THE ARTICLES OF ASSOCIATION** . .	IV-1
APPENDIX V	**–**	**FURTHER INFORMATION ABOUT LISTING ON THE STOCK EXCHANGE AND THE AIX**	V-1
APPENDIX VI	**–**	**STATUTORY AND GENERAL INFORMATION**	VI-1
APPENDIX VII	**–**	**DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY** . .	VII-1

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. Moreover, there are risks associated with any investment. Some of the particular risks in investing in our Shares are set out in the section headed "Risk Factors" in this prospectus. You should read the entire prospectus carefully before you decide to invest in our Shares. Various expressions used in this section are defined in the sections headed "Definitions" and "Glossary of Technical Terms" in this prospectus.

OVERVIEW

We are a tungsten mining company focusing on the development of our Boguty tungsten mine (the "**Boguty Project**") based in Kazakhstan, which was the world's largest open-pit tungsten mine in terms of Mineral Resources of tungsten trioxide (WO_3) as of December 31, 2024, according to Frost & Sullivan. As of December 31, 2024, our Boguty tungsten mine was also the world's fourth largest tungsten mine (including both open-pit and underground tungsten mines) in terms of Mineral Resources of WO_3, having the world's largest designed tungsten concentrate production capacity among single tungsten mines, according to Frost & Sullivan. During the Track Record Period, we primarily focused on preparing the Boguty Project for commercial production, and the phase I commercial production of the Boguty Project commenced in April 2025 with a target annual mining and processing capacity of 3.3 Mt of tungsten ore in 2025. As of the Latest Practicable Date, we only had one mine, *i.e.*, the Boguty tungsten mine, and our future revenue in the near term is dependent on this mine.

According to the Independent Technical Report, the estimated Mineral Resources of our Boguty tungsten mine under the JORC Code as of June 30, 2025 were approximately 107.5 Mt ore at 0.211% WO_3, which correspond to 227.3 kt WO_3, comprising 95.6 Mt of Indicated Resources at 0.209% WO_3 and 11.9 Mt of Inferred Resources at 0.228% WO_3, and our Boguty tungsten mine hosted Probable Ore Reserves in accordance with the JORC Code guidelines as of June 30, 2025, *i.e.*, 68.4 Mt of ore with an average grade of 0.206% WO_3, equivalent to 140.8 kt WO_3.

Our Boguty tungsten mine is located in Yenbekshikazakh District, Almaty Oblast, and can be accessed via national highway from both Almaty, Kazakhstan and the Khorgos crossing that connects Kazakhstan to China. In addition, a railway connecting Khorgos and Almaty is located approximately 20 km north of our Boguty tungsten mine, which is expected to enable smooth transportation of our products. We also have ready and affordable access to water and electricity supply for our Boguty Project.

We hold the exclusive mining rights (the rights for exploration for and extraction of tungsten ore) of the Boguty tungsten mine under the Subsoil Use Contract No. 4608-TPI (as amended and supplemented by four subsequently agreed addenda, the "**SSU Contract**") with the relevant competent authority in Kazakhstan. The contract area for mining is stated at 1.16 km^2 and allows exploitation for up to a maximum depth of 300 m below surface, with a term of 25 years from June 2, 2015 to June 2, 2040.

Leveraging our abundant tungsten Resources and Reserves, anticipated cost-effective production and convenient location in Kazakhstan, we plan to continue to develop our Boguty Project into a world-class tungsten mining project. In particular, we plan to increase our target annual mining and processing capacity to 4.95 Mt of tungsten ore in 2027 after we integrate an ore sorting system into our existing mining flowsheet, and further build deep processing plants for production of high-quality ammonium paratungstate (APT) and tungsten carbide powder (WC) after the Listing. We also plan to explore additional investment opportunities for nonferrous metal resources in Central Asia. In July 2023, we entered into a memorandum of understanding with the relevant competent authority in Kazakhstan for potential collaborations as we continue to develop our Boguty Project and potentially in other new fields which the parties may consider fit for further collaborations in the future.

OUR MINERAL ASSETS AND MINING RIGHTS

We hold exclusive mining rights (the rights for exploration for and extraction of tungsten ore) to the Boguty tungsten mine, which is an open pit mine located in Almaty region, Kazakhstan and was first discovered in 1941. The mining rights at the Boguty tungsten mine were initially acquired by the then called Social Entrepreneurial Corporation "Zhetysu" National Company Joint Stock Company (currently known as "Regional Development Institute" Social-Entrepreneurial Corporation "Zhetisu" Joint Stock Company) ("**SPC**"), a Kazakhstan state-owned company, pursuant to the SSU Contract dated June 2, 2015. The term of the SSU Contract is 25 years from June 2, 2015 to June 2, 2040. In November 2015, we acquired indirect control over Subsidiary ZV through the acquisition of Aral-Kegen LLP. By addendum No. 1 dated March 1, 2016, the mining rights and obligations of SPC were assigned to Subsidiary ZV.

Mineral Resources and Ore Reserves

Mineral Resource and Ore Reserve Estimate

The following table presents a summary of the Mineral Resource estimate of the Boguty tungsten mine constrained by conceptual pit shell (with a cut-off grade of 0.05% WO_3 applied to the Mineral Resource block model) as of June 30, 2025 and reported in accordance with the JORC Code, as contained in the Independent Technical Report in Appendix III to this prospectus:

Classification	Tonnage	Grade	Contained WO_3
	(Mt)	*(WO_3%)*	*(kt)*
Indicated	95.6	0.209	200.3
Inferred	11.9	0.228	27.0
Total	**107.5**	**0.211**	**227.3**

Source: Independent Technical Report

The following table presents a summary of the Ore Reserve estimate of the Boguty tungsten mine (with a marginal cut-off grade (MCOG) of 0.06% WO_3 used to define ore and waste) as of June 30, 2025 in accordance with the JORC Code, as contained in the Independent Technical Report in Appendix III to this prospectus.

Category	Ore Reserve	WO_3 Grade	Contained WO_3
	(Mt)	*(%)*	*(kt)*
Probable	68.4	0.206	140.8

Source: Independent Technical Report

According to the Independent Technical Report, as of June 30, 2025, there were no Measured Resources or Proved Reserves in the Mineral Resource and Ore Reserve estimate of the Boguty tungsten mine in accordance with JORC Code.

According to the Independent Technical Consultant, there was no material change in the Independent Technical Report with respect to the Mineral Resource and Ore Reserve estimate of the Boguty tungsten mine since June 30, 2025, being the effective date of the Mineral Resource and Reserve estimate, and up to the date of this prospectus.

Exploration

After the Boguty tungsten mine was discovered in 1941, several small-scale exploration programs were conducted in the area by different groups prior to 1969 with limited documentation. In the period between 1969 and 1974, the Geological Survey of South Kazakhstan, a former Soviet Union organization, carried out a systematic exploration program. We acquired the SSU Contract for our Boguty Project in 2016. From 2014 to 2015, we also commissioned an Independent Third Party, which is a mining consultancy firm, and its collaborator to carry out a verification program of the previous exploration results. For details of the results of these exploration and verification work previously undertaken, please refer to "Appendix III—Independent Technical Report—Geology and Mineral Resources—Historical exploration."

Our Subsoil Use Contract

We hold the exclusive mining rights of the Boguty tungsten mine under the SSU Contract with the relevant competent authority. Such mining rights were initially acquired by SPC pursuant to the SSU Contract with a term of 25 years from June 2, 2015 to June 2, 2040. In November 2015, we acquired indirect control over Subsidiary ZV through the acquisition of Aral-Kegen LLP. By Addendum No. 1 dated March 1, 2016, the mining rights and obligations of SPC were assigned to Subsidiary ZV. After the execution of the SSU Contract on June 2, 2015, a total of four addenda to the SSU Contract had been executed as of the Latest Practicable Date. See "Business—Our Mineral Assets and Mining Rights—Major Licenses, Permits and Approvals—Our Subsoil Use Contract" for details. In June 2024, we applied to the MIC for including Addendum No. 4 to the SSU Contract to change the production commencement date, which was finalized and included to the SSU Contract by the MIC in August 2024. Pursuant to Addendum No. 4, we shall reach the projected annual production volume in 2025 and comply with the environmental laws of Kazakhstan in our operations. The following table sets forth the particulars of our mining rights pursuant to the SSU Contract:

Subsoil Use Contract No.	4608-TPI
Current Owner of Subsoil Use Contract	Zhetisu Volframy LLP
Name of Mine	Boguty tungsten mine
Type of Mineral	Tungsten ore
Area of Rights	The contract area for mining is stated at 1.16 km^2 and allows exploitation for up to a maximum depth of 300 m below surface
Period of Validity	June 2, 2015 to June 2, 2040
Issuing Authority	the MID (a predecessor of the MIC)

In accordance with the SSU Code and the SSU Contract, we are required to comply with certain continuing obligations which are imposed on subsoil users. Save for incidents as disclosed in "Business—Legal Proceedings and Compliance," we had complied with all the obligations under the SSU Code and the SSU Contract during the Track Record Period and up to the Latest Practicable Date. The MIC also confirmed that it will not terminate the SSU Contract in its letter (No. ZT-2024-03681260) to Subsidiary ZV dated April 24, 2024. See "Business—Legal Proceedings and Compliance" for details of our key communications with the MIC as of the Latest Practicable Date. As of the Latest Practicable Date, there had not been any legal claims or proceedings that may have an adverse impact on our mining rights of the Boguty Project. To support the construction development of our Boguty Project, we entered into a facility agreement with a commercial bank in September 2020 for a loan facility up to EUR188.0 million. Please refer to "Risk Factors—Risks relating to Our Business—We relied on bank loan to fund the construction of our Boguty Project since 2020 and incurred significant interest expenses during the Track Record Period" and "Financial Information—Indebtedness—Borrowings" for details. As of the Latest Practicable Date, we had complied with all of the covenants under the facility agreement and had not received any notification of breach from the lending bank. Our Directors confirm that we had not pledged our mining rights under the SSU Contract to secure any bank facilities as of the Latest Practicable Date.

For details of the laws and regulations in relation to the subsoil use contracts and licenses in Kazakhstan, please refer to "Regulatory Overview—Kazakhstan Mining Regulation—Subsoil Use Contracts and Licenses."

Access

The Boguty tungsten mine is geographically centered at 43º32'22"N and 78º58'31"E. It is located 180 km east of Almaty and 160 km to the west of the Khorgos crossing, which connects Kazakhstan to China. The Boguty tungsten mine can be accessed from both Almaty and the Khorgos crossing via the A2 highway. A railway connecting Khorgos and Almaty is located approximately 20 km north of the Boguty tungsten mine area. The closest international airport to the Boguty tungsten mine is located in Almaty, with regular flights to regional and key cities in Kazakhstan and overseas. The following map illustrates the location of the Boguty tungsten mine:

Source: Independent Technical Report

COMPETITIVE STRENGTHS

We believe the following strengths contribute to our success:

- Our Boguty tungsten mine was the world's largest open-pit tungsten mine in terms of Mineral Resources of tungsten trioxide as of December 31, 2024, according to Frost & Sullivan;
- We are well-positioned to take advantage of the growing demand for tungsten and tungsten products globally;
- Our Boguty tungsten mine is strategically located in a favorable business environment with support from both Kazakhstan and China in relation to the Belt and Road Initiative;
- We have an experienced management team with significant industry and management experience;
- We are socially responsible and committed to sustainable development with continuous ESG efforts; and
- Our Shareholders with solid industry experience lay a firm foundation for our business growth and expansion.

BUSINESS STRATEGIES

We plan to implement the following strategies to facilitate our business growth:

- Bring our Boguty Project into phase II commercial production;
- Implement and strengthen our commercialization plan;
- Continue to recruit and develop talent and optimize production technology to improve overall operational efficiency and resource utilization; and
- Carry out deep processing of tungsten to produce APT and WC.

DEVELOPMENT PLAN AND PLANNED PRODUCTION SCHEDULE

Development Plan

The following timeline sets forth key historical and planned milestones in the development of the Boguty Project:

2014-2015	Completion of the exploration verification program
2015-2019	Completion of a series of feasibility studies on the Boguty Project
2016	Acquisition of the subsoil use rights for the Boguty Project
2020	Completion of the preliminary design for proposed constructions, design of tailing storage facility (TSF) and various environmental impact assessments for the Boguty Project
2021	Commence full-scale constructions on site
2023	Completion of pre-stripping
2024	Completion of construction of site infrastructure and the processing plant complex.[1] Completion of the connection to the main grid and the installation of processing plant equipment and completion of the constructions of the phase one embankment of TSF and installation of a liner. Commencement of trial production for the Boguty Project in November 2024
2025	Commencement of phase I commercial production in April 2025
2026	Expect to complete the integration of the ore sorting system into the existing mining flowsheet
2027	Expect to bring the Boguty Project into the phase II commercial production in the first quarter of 2027

Note:

1. Auxiliary facilities were largely set up. The high voltage power lines have been completed. The water pipeline construction has been completed. Water is being provided to the mine through the 22-kilometer long pipeline. Subsequent testing has been completed in 2024.

Planned Production Schedule

We commenced phase I commercial production in April 2025 and expect to commence phase II commercial production in the first quarter of 2027. In particular, we have completed the construction of the processing plant complex and installation of equipment, and have largely set up auxiliary facilities in 2024. Furthermore, the high voltage power lines were completed, linking the full system to the grid with a 30 MW power supply; and the water pipeline construction was also completed, providing water from Charyn River to the mine through a 22-kilometer pipeline. Individual testing of the processing plant equipment began in July 2024, followed by the start of trial production in November 2024. The TSF will be constructed in three phases and the construction of the embankment of Phase I TSF and installation of a liner have also been completed in 2024, with the remaining work expected to be completed in the second half of 2025. The phase I TSF was put into operation in November 2024. In addition, we completed the construction and testing of the boiler heating system for our processing plant in February 2025 and recruited sufficient employees for phase I commercial production. We also expect to construct the pre-disposal sorting system and Phase II TSF for the phase II commercial production to further increase our production capacity.

The Independent Technical Consultant has reviewed the preliminary design prepared by an Independent Third Party, technical studies, the latest construction reports, the Company's actual and forecast capital costs and target commission dates for each phase of production. The Independent Technical Consultant considers the preliminary design prepared by an Independent Third Party and other technical studies that provide a solid foundation for the construction and development of the Boguty Project reasonable and adequate. We have completed all construction and installation work for phase I commercial production. We have developed comprehensive plans to meet commissioning targets and address challenges encountered during the initial phase of production. These plans include implementing a strategic mining approach and optimizing the processing flowsheet by using an ambient temperature cleaning process. Phase I commercial production commenced in April 2025. Plans are also in place for phase II commercial production in early 2027. The production schedule for each development phase is considered reasonable. Overall, the Independent Technical Consultant finds the Boguty Project technically and economically viable, with plans reflecting a balanced and well-considered approach.

The mining operation is conducted by a local subsidiary of CCECC in Kazakhstan, who was engaged through a public tender and has the required mining fleet and associated capacity. As advised by the Independent Technical Consultant, contractor mining is a common practice in the mining industry. We are responsible for the processing operation and sales of the product to our customers. The following chart sets forth the planned mining and production schedule for the operations in our Boguty Project for the periods indicated over the life of mine (LOM) of 15 years.

Period	TMM	ROM	Grade	HG Tonnes	HG Grade	MG Tonnes	MG Grade	LG Tonnes	LG Grade	Waste	Stripping Ratio	Feed	Feed Grade
Unit	*kt*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*t:t*	*kt*	*WO_3 %*
H2 CY2025 .	6,977	2,478	0.164	1,655	0.191	440	0.123	384	0.099	4,498	1.81	1,655	0.191
CY2026 . . .	15,344	5,181	0.196	3,771	0.228	755	0.124	655	0.099	10,163	1.96	3,800	0.227
CY2027 . . .	12,879	8,060	0.190	5,513	0.228	1,171	0.124	1,376	0.098	4,819	0.60	4,950	0.228
CY2028 . . .	17,392	4,445	0.178	3,290	0.201	587	0.124	568	0.100	12,947	2.91	4,950	0.187
CY2029 . . .	18,429	2,079	0.174	1,464	0.201	250	0.124	365	0.098	16,350	7.86	4,950	0.140
CY2030 . . .	18,026	3,361	0.203	2,627	0.229	319	0.125	415	0.101	14,665	4.36	4,950	0.169
CY2031 . . .	14,853	4,741	0.180	3,403	0.207	662	0.124	675	0.100	10,112	2.13	4,950	0.176
CY2032 . . .	15,965	5,125	0.238	4,154	0.267	478	0.124	493	0.100	10,840	2.12	4,950	0.243
CY2033 . . .	9,797	5,041	0.213	4,006	0.239	601	0.124	435	0.099	4,756	0.94	4,950	0.215

Period	TMM	ROM	Grade	HG Tonnes	HG Grade	MG Tonnes	MG Grade	LG Tonnes	LG Grade	Waste	Stripping Ratio	Feed	Feed Grade
Unit	*kt*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*t:t*	*kt*	*WO_3 %*
CY2034 . . .	9,648	5,007	0.203	3,982	0.227	556	0.123	470	0.099	4,642	0.93	4,950	0.204
CY2035 . . .	8,559	5,148	0.205	4,027	0.230	590	0.124	530	0.099	3,411	0.66	4,950	0.209
CY2036 . . .	8,134	5,362	0.231	4,395	0.257	473	0.124	494	0.097	2,772	0.52	4,950	0.242
CY2037 . . .	7,343	5,388	0.240	4,906	0.252	319	0.125	163	0.103	1,954	0.36	4,950	0.251
CY2038 . . .	8,075	5,357	0.226	4,767	0.239	353	0.125	236	0.099	2,718	0.51	4,950	0.235
CY2039 . . .	1,916	1,668	0.195	1,219	0.226	218	0.124	231	0.101	248	0.15	3,586	0.147
Total	**173,338**	**68,441**	**0.206**	**53,180**	**0.233**	**7,772**	**0.124**	**7,489**	**0.099**	**104,898**	**1.53**	**68,441**	**0.206**

Source: Independent Technical Report

Notes:

1 Mineral Resources are at cut-off grade of 0.06% WO_3.

2 ROM materials include dilution and loss at rates of 5%.

3 Inferred Mineral Resources are treated as waste.

4 HG (high-grade) material is defined as material above a cut-off grade of 0.14% WO_3; MG (medium-grade) material is defined at a cut-off grade between 0.12% and 0.14% WO_3 and LG (low-grade) material is defined at a cut-off grade of 0.06% WO_3.

5 Some totals may not correspond to the sum of the separate figures due to rounding.

Although our Directors believe that our development plan for the Boguty Project is viable, we may not be able to proceed at the expected rate or ultimately extract the Mineral Resources at the rate or at a profit due to various factors. See "Risk Factors—Risks Relating to Our Business—We may not generate revenue or grow our business as planned" for the relevant risks.

Capital Costs

As disclosed in the Independent Technical Report and as illustrated below, we have been incurring capital costs for the Boguty Project since 2020 and the total amount of capital costs incurred during the period from 2020 to June 30, 2025 was approximately RMB1,701.0 million. The total incurred and forecast capital costs for the initial development of the Boguty Project, subsequent raising of the tailings dam and mine closure are expected to be approximately RMB2,719.3 million, while the capital unit cost over the life-of-mine is estimated to be 40 RMB/t ore and 15,900 RMB/t concentrate. For more information regarding our capital costs, please refer to "Appendix III—Independent Technical Report—Capital and Operating Costs."

The table below sets forth a summary of the historical and forecast capital costs between 2020 and 2040 for our Boguty Project, as stated in the Independent Technical Report:

Cost Center	Total LOM	2020	2021	2022	2023	2024	H1 2025	H2 2025	2026	2027-2033	2034-2040
	(in RMB millions)										
Mine stripping	65.7	0.0	0.0	16.7	40.0	4.7	0.0	1.2	3.0	0.0	0.0
Processing plant system	610.7	1.0	31.0	132.6	274.2	3.8	21.0	45.9	101.3	0.0	0.0
Tailings storage facility	774.7	0.0	50.6	34.4	96.6	114.5	0.0	50.4	100.1	121.2	211.7
Processing equipment	371.0	0.0	16.1	56.4	134.5	135.6	0.0	18.9	16.4	0.0	0.0
Power supply	96.7	0.0	1.6	3.1	40.6	48.6	0.0	2.2	1.7	0.0	0.0
Heating system	43.5	0.0	0.0	0.0	5.0	41.2	0.0	0.6	0.5	0.0	0.0
Telecommunication system	8.8	0.0	0.0	0.0	5.0	3.5	0.0	0.3	0.2	0.0	0.0
Water supply and reticulation system	82.4	0.0	6.0	0.0	17.7	39.0	0.0	17.7	1.8	0.0	0.0
Roads and other ancillary facilities	137.6	0.0	11.7	10.0	20.8	60.2	0.0	37.5	3.0	0.0	0.0
Office, camp and others	35.9	0.0	0.0	0.0	0.0	36.7	0.0	1.4	1.1	0.0	0.0
Ore sorting system	125.8	0.0	0.0	0.0	0.0	0.0	0.0	73.7	52.1	0.0	0.0
Other	235.8	24.2	16.4	17.4	58.7	80.8	0.0	38.3	0.0	0.0	0.0
Mine closure	16.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.9
Contingency	113.9	0.0	0.0	0.0	0.0	0.0	0.0	27.0	28.0	12.1	21.1
Total	**2,719.3**	**25.2**	**133.3**	**270.6**	**693.3**	**568.5**	**21.0**	**315.1**	**309.3**	**133.2**	**249.7**

Source: Independent Technical Report

Note: Some totals may not correspond to the sum of the separate figures due to rounding.

Operating Costs

As disclosed in the Independent Technical Report and as illustrated below, our total operating cash costs for the Boguty Project in the six months ended June 30, 2025 amounted to approximately RMB118.4 million. In the second half of 2025, our projected total operating cash cost for the Boguty Project in 2025 is RMB331.0 million, with a cost of 200 RMB/t ore and 91,000 RMB/t concentrate. By 2027, as the Boguty Project is expected to reach its target production rate of 4.95 Mtpa and the ore sorting system for the phase II commercial production is expected to be installed, the total operating cash cost is expected to increase to RMB606.1 million in 2027, while the operating cash unit cost is projected to decrease significantly to 122 RMB/t ore and 44,400 RMB/t concentrate. For more information regarding our cash operating costs, please refer to "Financial Information—Forecast Operating Costs."

The following table sets forth the actual operating cash costs of the Boguty Project for the six months ended June 30, 2025, according to the Independent Technical Report:

By types	RMB million
Mining	40.8
Processing	
Labor	*3.6*
Consumables	*15.8*
Fuel, electricity and water	*15.1*
Maintance and other services	*0.3*
Subtotal	*34.9*
General and administrative	42.1
Sales	0.0
Resource tax	0.7
Total	**118.4**

By activities	RMB million
Workforce employment	32.3
Consumables	15.8
Fuel, electricity, water and other services	55.9
Stipping cost	0.0
On and off-site administration	8.6
Environmental protection and monitoring	0.0
Transportation of workforce	2.5
Product marketing and transport	0.7
Non-income taxes, royalties and other government charges	2.6
Contingency allowances	0.0
Total	**118.4**

The table below sets forth a summary of the forecast operating costs between 2025 and 2039 for our Boguty Project, as stated in the Independent Technical Report:

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Mining																	
Ore	Mt	68.4	2.5	5.2	8.1	4.4	2.1	3.4	4.7	5.1	5.0	5.0	5.1	5.4	5.4	5.4	1.7
Waste	Mt	104.9	4.5	10.2	4.8	12.9	16.3	14.7	10.1	10.8	4.8	4.6	3.4	2.8	2.0	2.7	0.2
Total materials moved	Mt	173.3	7.0	15.3	12.9	17.4	18.4	18.0	14.9	16.0	9.8	9.6	8.6	8.1	7.3	8.1	1.9
Strip Ratio		1.53	1.81	1.96	0.60	2.91	7.86	4.36	2.13	2.12	0.94	0.93	0.66	0.52	0.36	0.51	0.13
Grade	WO_3%	0.206	0.164	0.196	0.190	0.178	0.174	0.203	0.180	0.238	0.213	0.203	0.205	0.231	0.240	0.226	0.195
High-grade Ore	Mt	53.2	1.7	3.8	5.5	3.3	1.5	2.6	3.4	4.2	4.0	4.0	4.0	4.4	4.9	4.8	1.2
Grade	WO_3%	0.0	0.191	0.228	0.228	0.201	0.201	0.229	0.207	0.267	0.239	0.227	0.230	0.257	0.252	0.239	0.226
Medium-Grade Ore	Mt	7.8	0.4	0.8	1.2	0.6	0.3	0.3	0.7	0.5	0.6	0.6	0.6	0.5	0.3	0.4	0.2
Grade	WO_3%	0.0	0.123	0.124	0.124	0.124	0.124	0.125	0.124	0.124	0.124	0.123	0.124	0.124	0.125	0.125	0.124
Low-grade Ore	Mt	7.5	0.4	0.7	1.4	0.6	0.4	0.4	0.7	0.5	0.4	0.5	0.5	0.5	0.2	0.2	0.2
Grade	WO_3%	0.0	0.099	0.099	0.099	0.098	0.100	0.098	0.101	0.100	0.100	0.099	0.099	0.099	0.097	0.103	0.099
Processing																	
Feed ore	Mt	68.4	1.65	3.80	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	3.58
Feed ore grade	WO_3%	0.0	0.191	0.227	0.228	0.187	0.140	0.169	0.176	0.243	0.215	0.204	0.209	0.242	0.251	0.235	0.147
Recovery	%	various[1]	75.00	83.00/ 78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85
Concentrate at 65% WO_3	t	171,003	3,638	10,900	13,665	11,228	8,382	10,172	10,596	14,578	12,936	12,276	12,549	14,527	15,065	14,119	6,371
Operating Cash Cost																	
Mining	RMB million	1,800.7	71.9	158.2	132.7	180.3	195.9	189.1	153.5	164.6	101.0	99.4	88.2	83.8	75.7	83.2	23.2
Processing																	
Labor	*RMB million*	*696.9*	*24.4*	*52.8*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*35.2*
Consumables	*RMB million*	*2,389.1*	*82.1*	*177.5*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*121.0*
Fuel, Electricity and Water	*RMB million*	*918.6*	*30.2*	*65.4*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*46.8*
Maintenance and Other Services	*RMB million*	*416.9*	*7.8*	*16.9*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*22.3*
Subtotal	RMB million	4,421.5	144.6	312.5	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	225.2
General and Administrative	RMB million	1,413.6	94.7	94.7	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	69.6
Sales	RMB million	376.2	8.0	24.0	30.1	24.7	18.4	22.4	23.3	32.1	28.5	27.0	27.6	32.0	33.1	31.1	14.0
Resource tax	RMB million	490.9	11.9	27.3	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	25.7
Total	RMB million	8,502.9	331.0	616.6	606.1	648.3	657.6	654.8	620.2	640.0	572.8	569.8	559.2	559.1	552.2	557.6	357.7

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Operating Cash Unit Cost																	
Mining	RMB/t ore	26.3	29.0	30.5	16.5	40.6	94.2	56.3	32.4	32.1	20.0	19.9	17.1	15.6	14.0	15.5	14.0
Processing																	
Labor	*RMB/t processed*	*10.2*	*14.8*	*13.9*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*
Consumables	*RMB/t processed*	*34.9*	*49.6*	*46.7*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*
Fuel, Electricity and Water	*RMB/t processed*	*13.4*	*18.3*	*17.2*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*
Maintenance and Other Services	*RMB/t processed*	*6.1*	*4.7*	*4.4*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*
Subtotal	RMB/t processed	64.6	87.4	82.2	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9
General and Administrative	RMB/t processed	20.7	57.2	24.9	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4
Sales	RMB/t processed	5.5	4.8	6.3	6.1	5.0	3.7	4.5	4.7	6.5	5.7	5.5	5.6	6.5	6.7	6.3	3.9
Resource tax	RMB/t processed	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Total	**RMB/t processed**	**124**	**200**	**162**	**122**	**131**	**133**	**132**	**125**	**129**	**116**	**115**	**113**	**113**	**112**	**113**	**100**
	RMB/t concentrate	**49,800**	**91,000**	**56,600**	**44,400**	**57,800**	**78,500**	**64,400**	**58,600**	**43,900**	**44,300**	**46,500**	**44,600**	**38,500**	**36,700**	**39,500**	**56,200**
Operation Unit Cost																	
Total	**RMB/t processed**	**159**	**235**	**194**	**151**	**160**	**161**	**161**	**154**	**158**	**144**	**151**	**149**	**149**	**148**	**149**	**179**
	RMB/t concentrate	**63,500**	**106,900**	**67,600**	**54,800**	**70,400**	**95,400**	**78,300**	**71,900**	**53,600**	**55,200**	**61,100**	**58,900**	**50,900**	**48,600**	**52,200**	**100,700**

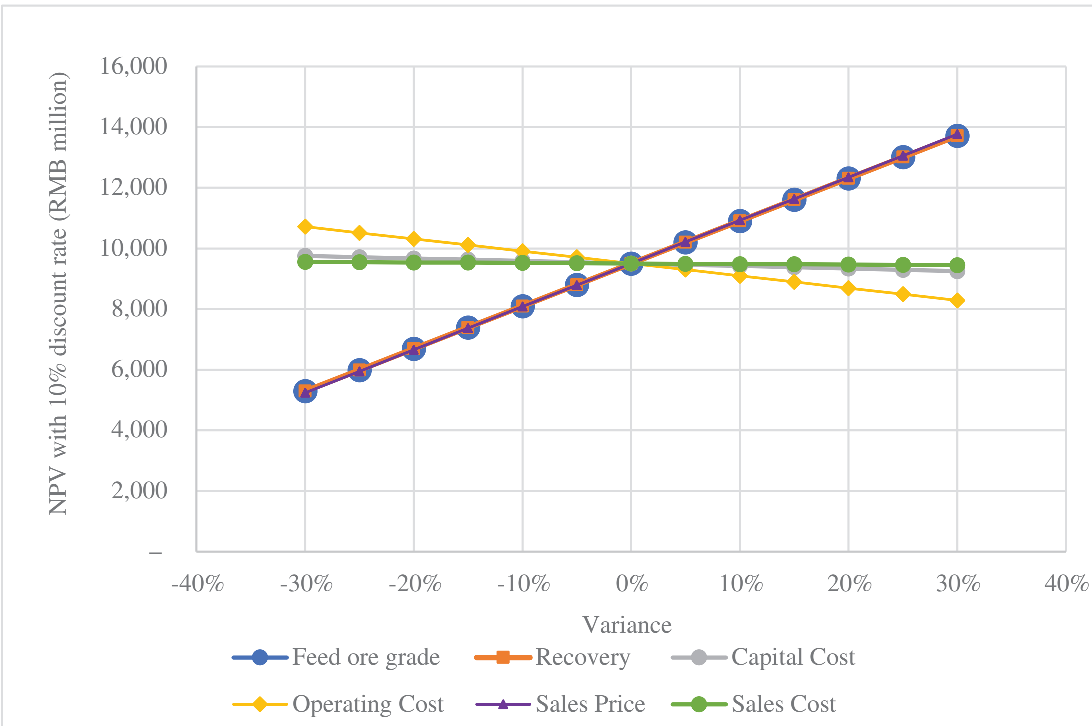
Source: Independent Technical Report

Notes:

1. Target recovery rates: H2 2025:75%, 2026:83% and 78.85% (with the ore sorting system).
2. The cost for equipment replacement and refurbishment has been allocated to the processing cost, amounting to RMB3.29 million per year.
3. General and Administrative costs include a payment of approximately RMB1.0 million per year to the Kazakhstani Government for the mine rehabilitation fee.
4. Some totals may not correspond to the sum of the separate figures due to rounding.
5. High-grade ore is defined at a cut-off grade of >0.14% WO_3; Medium-grade ore is defined at a cut-off grade between 0.12%-0.14% WO_3 and low-grade ore is defined at a cut-off grade of 0.06% WO_3.

Our forecast cash operating costs may differ from the actual future cash operating costs due to numerous factors, including the factors described in the sections headed "Risk Factors" and "Forward-looking Statements" in this prospectus.

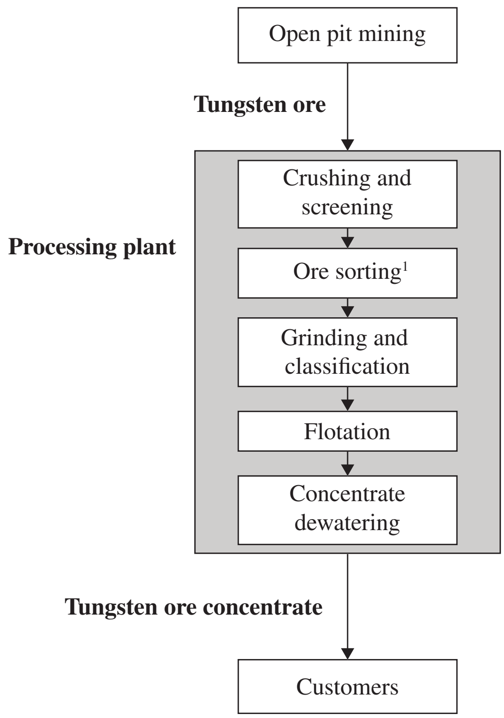
The following post-tax sensitivity analysis at a discount rate of 10% as set forth in the Independent Technical Report illustrates the impact of certain key parameters (including the feed ore grade, processing recovery, capital cost, operating cost, sales price and sales cost) on the net present values (NPVs) of the Boguty Project:



Source: Independent Technical Report

MINING OPERATIONS AND PROCESSING FACILITIES

Our production process involves two main processes: mining and processing. The mining operation is conducted by a local subsidiary of CCECC in Kazakhstan, who is engaged through a public tender and has the required mining fleet and associated capacity. We are responsible for the processing operation. The following diagram sets forth the general workflow of the production of tungsten concentrate:



Note:

1. We expect to complete the integration of the ore sorting system into the existing mining flowsheet in 2026.

Mining

We adopt open pit mining for our operations of the Boguty Project, which typically consists of (i) drilling, blasting and excavation, (ii) loading and haulage of ore and waste and (iii) grade control and dewatering of the open pit. The mining sequence is designed to occur from top to bottom, with two benches operating simultaneously. Drilling and blasting are undertaken by a professional drill and blast contractor responsible for drilling, hole survey, explosive transportation, charging, stemming and blasting. The maximum size of blasted rock is one meter. Any oversize ore rock is further crushed by hydraulic hammers to produce a more uniform size. To carry out blasting operations, down-the-hole hammer (DTH) drill rigs equipped with mobile air compressors are required to make blast holes with a diameter of 165 mm. Loading is carried out by hydraulic excavators with 5.5 m^3 bucket capacities and front-end loaders. A fleet of articulated haulage trucks (55 t) transport the ore to the processing plant and stockpiles. The waste is transported directly to the waste rock dump (WRD).

Processing

We designed our processing workflow principally based on a feasibility study prepared by an Independent Third Party, which is a civil engineering company, in 2019. The civil engineering company has a history of more than 70 years and is one of the design institutes with the strongest nonferrous metal mine design capabilities in China, according to Frost & Sullivan. It has been engaged in mine design projects in over 30 countries and regions globally and has delivered more than 400 mine design results, including multiple medium- and large-scale nonferrous metal mine projects in China, such as the Dexing copper mine, Yinshan copper mine, Yongping copper mine, Wushan copper mine and Sichuan Maoniuping rare earth mine, which have all reached the designed development scale and achieved respective production targets. The civil engineering company has a Class A engineering design qualification certificate issued by the PRC Ministry of Housing and Urban-Rural Development and a Class A foreign project contracting qualification certificate issued by the PRC Ministry of Commerce. The designed processing flowsheet includes the crushing and screening circuit, ore sorting circuit, grinding circuit and rougher flotation circuit, heated cleaner circuit and concentrate dewatering circuit.

Crushing and screening circuit

The crushing circuit will be a traditional three-stage crushing and one closed circuit flowsheet. Ore will be transported by trucks to the primary crushing station near the open pit and unloaded directly into the feed bin of a gyratory crusher. Adjacent to the feed bin, a crawler-type mobile hydraulic breaker will be installed to break any oversize rocks. The gyratory crusher will reduce the size of the ore to less than 300 mm, *i.e.*, the primary crushed ore, which will then be transported to the stockpile area of the processing plant through a two-kilometer long belt conveyor system.

Ore sorting system

To perform ore sorting and waste rejection, we have designed an ore sorting operation for screened and oversize ore materials produced from secondary crushing. After the operation of the ore sorting system is commissioned in the third year, the pre-screening after secondary crushing will divide the secondary crushed ore into three size fractions: <12 mm, 12–40 mm and >40 mm (40–70 mm). The fine size fraction (<12 mm) will be processed in the same way as the original flowsheet and sent to the ore surge bin through the belt conveyors. The other size fractions (12–40 mm and 40–70 mm) will be conveyed to the buffer bin in the ore sorting facility. The concentrates of all ore sorters will be collected for tertiary crushing. All the waste rejects from the sorting machine will be collected by another belt conveyor, transported to the reject stockpile and then transported by vehicles to the waste rock dump (WRD) or tailings storage facility (TSF) as materials for raising the dams.

Grinding circuit and rougher flotation circuit

There are two grinding circuits. A ball mill, mortar pump and cyclone unit will form the grinding-classification closed circuit. The ore discharge from the ball mill will be classified by the cyclone, and the underflow will be returned to the ball mill. The combined overflow in two grinding series will flow into an agitation tank before flotation, which will be agitated, conditioned and pumped to three flotation columns for roughing.

The rougher process will consist of one-stage rougher, three-stage scavenger and three-stage cleaner. The flotation columns can be used for both roughing and cleaning. The resulting concentrate will flow by gravity to a cleaner of the cleaner section in the rougher circuit. The flotation columns' tailings will flow to the scavenger section, producing the final tailings after three stages of scavenging that will subsequently be pumped to the TSF. Scavenger 1 concentrate will undergo three-stage cleaning to produce a rougher concentrate and middling. The middling will return to Scavenger 1. The rougher concentrate will undergo thickening and reagent removal and be transferred to the heated cleaner circuit.

Heated cleaner circuit and concentrate dewatering

The concentrate ore pulp in the room temperature flotation circuit will be pumped to a thickener and concentrated to a grade of 50-55%. The overflow will be sent to the concentrate overflow treatment station, and the underflow will be pumped to six heated agitation tanks that are steam-heated to over 90°C. The heated underflow will then be pumped to another agitation tank for the addition of flotation reagents and pulp conditioning, before subsequently entering the heated cleaner circuit. The cleaner circuit will adopt the flotation flowsheet of one-stage rougher, three-stage scavenger and five-stage cleaner. The cleaner tailings will be combined with the tailings produced in the room temperature rougher circuit and pumped to the TSF. The final flotation concentrate will be pumped to a thickener. The underflow will be fed to a plate-and-frame filter press. The resulting filter cake will be sent to a steam dryer through a spiral conveyor. The dried product is then sent to a bucket elevator through a spiral conveyor, mixed in a mixer and packed in a 1 t bag by an automated packing machine for storage and transportation. Thickener overflow and filter press filtrate containing sodium silicate and flocculants will be returned to the cleaner circuit for pulp conditioning and to serve as rinsing water.

For details, please refer to "Business—Mining Operations and Processing Facilities—Processing" and "Appendix III—Independent Technical Report—Mineral processing."

OUR PRODUCT

Our product comprises scheelite concentrate containing 65% WO_3. Scheelite concentrate containing 65% WO_3 is an intermediate in the recovery of tungsten from its minerals, and tungsten has a higher melting point and density, and good high-temperature resistivity and thermal stability, leading to a growing demand globally, according to Frost & Sullivan.

Our product is a commodity and we expect the biggest factor affecting its price will be the corresponding commodity price indexes which are in turn affected by global supply and demand. We expect pricing terms in sales contracts we enter into will explicitly make reference to such price indexes and database, subject to adjustment based on the quality of the tungsten ore concentrates. In addition, according to Frost & Sullivan, high-end tungsten products are expected to be in higher demand and command higher selling prices.

SALES AND MARKETING

We commenced phase I commercial production in April 2025 with a target annual mining and processing capacity of 3.3 Mt of tungsten ore in 2025. After our production of tungsten ore concentrate stabilizes, we plan to carry out further processing steps to produce ammonium paratungstate (APT) and tungsten carbide powder (WC) using the net proceeds received from the Global Offering. For more details, see "Future Plans and Use of Proceeds." We expect to sell our tungsten products primarily to the PRC in the near term.

Customers and sales agreements

As of the Latest Practicable Date, we had entered into scheelite sales agreements with (i) Jiangxi Copper Hong Kong Company Limited, which is our connected person, and (ii) Jiangxi Tungsten Corporation Limited, which is an Independent Third Party, with respect to the sales of scheelite concentrate in 2025 and 2026. During the Track Record Period, we only generated revenue from one customer, Jiangxi Tungsten Corporation Limited, since we just commenced commercial production for phase I in April 2025 and only made sales to this customer pursuant to our sales agreements with them. Jiangxi Copper Hong Kong Company Limited is our connected person, our transactions with them would constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules after the Listing, see "Connected Transactions—Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent shareholders' approval requirements—Scheelite sales agreement" for details.

According to Frost & Sullivan and our internal research on the tungsten market, tungsten concentrate smelting (which produces APT and WC) is the main downstream industry for tungsten concentrate products and it is mainly concentrated in China, where the tungsten concentrate smelting capacity has far exceeded the tungsten concentrate production capacity. As a result, we believe that we can keep in touch with several tungsten concentrate smelting companies in China, indicating a strong desire to buy tungsten concentrate from us once we commence production and potentially reach an exclusive supply deal. We sell our tungsten concentrate to buyers in China mainly through the direct sales model. After we commence the production of APT and WC in the future, we may also sell our products to Europe and other overseas markets. As we are not subject to the EU anti-dumping duties, we believe that we will have a comparative advantage in market competition for APT and WC. We plan to adopt both the direct sales and the distribution models in these markets in order to establish and maintain customers while continue to expand customer resources. We also plan to set up a sales and marketing department that will be responsible for carrying out sales and marketing activities. Please refer to "Business—Sales and Marketing" for details.

We only had one customer during the Track Record Period, and none of our Directors or their associates, and none of our existing Shareholders who (to the knowledge of our Directors) own more than five percent of our issued share capital, had any interest in this customer.

OUR SUPPLIERS AND CONTRACTORS

During the Track Record Period, we were primarily focused on preparing the Boguty Project for commercial production and our suppliers mainly included suppliers for construction, engineering, transportation services and raw materials. We consider several factors in the evaluation and selection process of our suppliers and contractors, such as their background, reputation, industry experience, the enforcement status of their anti-commercial bribery policies and the quality and prices of their goods or services.

To ensure an efficient and smooth process of our constructions, we have adopted the engineering, procurement and construction (EPC) model and engaged CCECC (including its local branch in Kazakhstan) as our EPC contractor for construction activities through an open tender based on evaluation and selection procedures conducted by a committee comprising of four experts selected by a third party and a representative from our Company. For risks relating to our contractors, see "Risk Factors—Risks Relating to Our Business—We rely on contractors for constructions and future mining operation." CCECC is responsible for completing our construction project (including the construction of the beneficiation plants, tailings ponds and necessary mining infrastructure, such as the ancillary and utilities systems, transportation and administrative facilities) in accordance with quality standards in both Kazakhstan and China. CCECC may engage subcontractors for certain aspects of the project. The selection of any subcontractors must be reviewed and approved by us. The total contract sum payable by us to CCECC under the EPC contract is RMB1,091.6 million. For details of our EPC contract arrangement, see "Business—Our Suppliers and Contractors." On October 17, 2024, we have entered into a mining services procurement agreement with a local subsidiary of CCECC in Kazakhstan, pursuant to which Subsidiary ZV will procure stripping and mining work in the open pit mining from CCECC's subsidiary in Kazakhstan in the production phase of the Boguty Project.

In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, aggregate purchases from our five largest suppliers amounted to HK$214.0 million, HK$745.7 million, HK$589.0 million and HK$21.5 million, respectively, accounting for 94.2%, 97.7%, 95.8% and 16.9% of our total purchases, respectively. Purchases from our largest supplier for the same periods, CCECC, totaled HK$202.6 million, HK$727.1 million, HK$575.8 million and HK$69.7 million, respectively, representing 89.2%, 95.2%, 93.6% and 39.0% of our total purchases, respectively.

Save for CCECC and Jiangxi Copper Corporation, all of our five largest suppliers in each year or period during the Track Record Period were Independent Third Parties. Save for CCECC and Jiangxi Copper Corporation, none of our Directors or their associates, and none of our existing Shareholders who (to the knowledge of our Directors) own more than five percent of our issued share capital, had any interest in any of our five largest suppliers in each year or period during the Track Record Period.

MARKET AND COMPETITION

As advised by Frost & Sullivan, Kazakhstan is rich in mineral resources with Boguty tungsten mine being the world's largest open-pit tungsten mine in terms of Mineral Resources of WO_3 as of December 31, 2024. We commenced commercial production in April 2025 and we target to sell our tungsten products to the China market in the short term. We expect to primarily compete with tungsten producers in the PRC. According to Frost & Sullivan, the major factors of competition in the tungsten ore mining industry include abundance and quality of mineral reserves, costs of operation, accessibility to infrastructure, access to capital and the ability to carry out downstream processing to offer higher value-added products. We believe that our advantages, such as abundance in our tungsten Resources, low production costs, experienced management team and our proximity to potential customers in the PRC, will allow us to stay competitive in the tungsten ore mining industry. In particular, our Boguty tungsten mine was the world's fourth largest tungsten mine as of December 31, 2024 in terms of Mineral Resources of WO_3, having the world's largest designed tungsten concentrate production capacity among single tungsten mines, according to Frost & Sullivan.

Market Landscape of China's Tungsten Industry

At present, China is the world's largest tungsten resource country, mainly possessing two types of wolframite (manganese and iron tungstates) and scheelite (calcium tungstate ore). According to Frost & Sullivan, in 2024, China had tungsten resource reserves of 2.4 million tonnes, accounting for over 50% of the world's reserves, and its mine tungsten production is also world leading.

The production volume of tungsten significantly depends on the production in China since China's production volume took over 80% of the global production volume of tungsten in 2024. To protect national reserves, the Ministry of Natural Resources of China has been issuing an annual quota for tungsten mining every year. These quotas have been effective since 2002. China's 2024 tungsten mining quota was set at 114 thousand tonnes of tungsten concentrates. Since China's government imposed restricted quotas on concentrated products of tungsten and the relatively low rate of operation in previous years, China's production volume of tungsten decreased from 69 thousand tonnes in 2019 to 67 thousand tonnes in 2024 at a CAGR of -0.6%. According to a notice from China's Ministry of Natural Resources in 2024, the first batch of total restricted quota (65% tungsten trioxide content) in 2025 was 58,000 tonnes, a year-on-year decrease of 6.5%. As a result, the market expects domestic tungsten production to reach 54.5 thousand tonnes in 2029, with a CAGR of -0.4% from 2024 to 2029.

China's consumption volume of tungsten increased from 47.3 thousand tonnes in 2019 to 55.3 thousand tonnes in 2024, representing a CAGR of 3.2%. Going forward, with the continuous development of technologies and demand for tungsten, especially for cemented carbide products, the consumption volume of tungsten in China is expected to reach 65.5 thousand tonnes in 2029, with a CAGR of 3.4%. China's tungsten consumption is lower than production because China exports tungsten products to a number of other countries, as it is a major tungsten reserve and producer. China's tungsten export restriction policy was implemented to protect domestic tungsten resources and ensure its sustainable supply. In recent years, with the gradual depletion of China's tungsten resources and increased awareness of environmental protection, the Chinese government has adopted a series of measures to restrict tungsten exports. The implementation of these policy and measures will have a significant impact on the global tungsten market. As a result of China's tungsten export restrictions, and the large gap between tungsten production and tungsten consumption, tungsten export demand in Kazakhstan will likely see strong growth.

For further details, please refer to "Business—Competitive Strengths" and "Industry Overview."

WAIVER APPLICATION

We have applied for, and the Stock Exchange has granted us a waiver from strict compliance with Rule 8.05 of the Listing Rules pursuant to Rules 8.05B(l) and 18.04 of the Listing Rules. For details, please refer to the section "Waivers from Strict Compliance with the Listing Rules" in this prospectus.

OUR CONTROLLING SHAREHOLDERS

As of the Latest Practicable Date, our Company was owned by Ever Trillion, a company wholly owned by Mr. Liu Zijia (劉子嘉), as to approximately 43.35%, and by Jiangxi Copper HK, a company wholly owned by Jiangxi Copper, as to approximately 41.65%, respectively. Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), Ever Trillion and Jiangxi Copper HK will own approximately 32.51% and 31.24% of the share capital of our Company, respectively. Therefore, each of (A) Jiangxi Copper and Jiangxi Copper HK (being the Jiangxi Copper Controlling Shareholders Group), and (B) Mr. Liu Zijia and Ever Trillion (being the Ever Trillion Controlling Shareholders Group) has been and will continue to be two groups of our controlling shareholders after the Listing. See "Relationship with our Controlling Shareholders" for details.

Mr. Liu Zijia, Ever Trillion and Goldblink entered into the Loan Agreement with the Goldblink Call Option on November 20, 2023. Pursuant to the Loan Agreement, in the event that Goldblink opts to exercise the Goldblink Call Option after the Listing and assuming the Over-allotment Option is not exercised and there are no changes to the shareholding of Ever Trillion and Goldblink and the issued share capital of the Company, then immediately after the completion of the acquisition of the Target Shares by Goldblink (which at the earliest would be at the expiry of a 12-month period immediately following the Listing Date), Goldblink would hold 43,876,000 Shares, representing 9.99% of the share capital of our Company, and Ever Trillion would hold 98,924,000 Shares, representing 22.52% of the share capital of our Company. Therefore, in such circumstances, Mr. Liu Zijia and Ever Trillion would cease to be our Controlling Shareholders. For details of the Loan Agreement and the Goldblink Call Option, see "History and Corporate Structure—Loan Arrangement between Ever Trillion and Goldblink".

OUR PRE-IPO INVESTORS

We completed several rounds of Pre-IPO Investments since 2018. Our Pre-IPO Investors include Jiangxi Copper HK, CRCCII and CCECC HK. See "History and Corporate Structure—Pre-IPO Investments."

CONTINUING CONNECTED TRANSACTIONS

We have entered into certain transactions which would constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules after the Listing. Further particulars about such transactions together with the application for a waiver from strict compliance with the relevant requirements under Chapter 14A of the Listing Rules are set out in "Connected Transactions".

SUMMARY OF KEY FINANCIAL INFORMATION

This summary historical financial information set forth below is derived from, and should be read in conjunction with, our consolidated financial information, together with the accompanying notes, set forth in "Appendix I—Accountant's Report" to this prospectus, as well as the information set forth in "Financial Information" of this prospectus. Our consolidated financial information has been prepared in accordance with HKFRS.

Summary of Consolidated Statements of Comprehensive Loss

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	–	–	–	–	126,313
Cost of sales	–	–	–	–	(108,332)
Gross profit	–	–	–	–	17,981
Administrative expenses	(41,061)	(67,854)	(75,940)	(33,241)	(60,499)
Other (losses), net	(34,029)	(9,437)	(83,749)	(30,158)	(27,200)
Operating loss	(75,090)	(77,291)	(159,689)	(63,399)	(69,718)
Finance income	5,293	1,908	78	70	19
Finance costs	(24,653)	(4,746)	(16,918)	(1,640)	(19,856)
Finance costs, net	(19,360)	(2,838)	(16,840)	(1,570)	(19,837)
Loss before income tax	(94,450)	(80,129)	(176,529)	(64,969)	(89,557)
Income tax credit	–	–	–	–	82,566
Loss for the year/period	**(94,450)**	**(80,129)**	**(176,529)**	**(64,969)**	**(6,989)**
Loss for the year/period attributable to:					
Equity holders of the Company	(93,661)	(78,920)	(172,970)	(63,617)	(5,996)
Non-controlling interests	(789)	(1,209)	(3,559)	(1,352)	(993)
	(94,450)	**(80,129)**	**(176,529)**	**(64,969)**	**(6,989)**

During the Track Record Period, we primarily focused on preparing the Boguty Project for commercial production. The phase I commercial production of the Boguty Project commenced in April 2025, and we started to generate revenue in the six months ended June 30, 2025. We incurred significant administrative expenses during the Track Record Period, primarily consisting of employee benefit expenses in relation to our development of Boguty Project. In 2022, we recorded significant foreign exchange losses, primarily resulting from the depreciation of Renminbi against Hong Kong dollars in connection with our cash on hand denominated in Renminbi, and interest expenses, primarily arising from our bank borrowings and amounts due to shareholders. As a result, we recorded net losses during the Track Record Period. For details of discussion of our results of operation during the Track Record Period, see "Financial Information—Discussion of Selected Items from the Consolidated Statements of Comprehensive Loss" and "Financial Information—Results of Operations of Our Group."

Summary of Consolidated Statements of Financial Position

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	550,403	1,413,340	1,772,955	2,080,961
Current assets	105,524	488,114	91,893	217,737
Current liabilities	222,758	67,464	360,841	660,681
Non-current liabilities	402,123	1,687,624	1,517,094	1,667,911
Net current assets/(liabilities)	(117,234)	420,650	(268,948)	(442,944)
Net assets/(liabilities)	31,046	146,366	(13,087)	(29,894)
Equity attributable to non-controlling interests	(1,647)	(2,886)	(5,760)	(7,038)

We recorded net current assets of HK$420.7 million as of December 31, 2023 as compared to net current liabilities of HK$117.2 million as of December 31, 2022, primarily attributable to (i) an increase in cash and cash equivalents of HK$377.2 million as we further drew down the Bank Loan in 2023 and (ii) a decrease in amounts due to shareholders of HK$153.0 million as majority of our shareholder loan were capitalized into our share capital in February 2023. We recorded net current liabilities of HK$268.9 million as of December 31, 2024 as compared to net current assets of HK$420.7 million as of December 31, 2023, primarily attributable to (i) a decrease in cash and cash equivalents of HK$435.2 million, as we spent cash on supporting our daily operations and the development of our Boguty Project; (ii) an increase in our other net losses from HK$9.4 million in 2023 to HK$83.7 million in 2024, primarily attributable to the depreciation of Tenge against Euro in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to Tenge, its functional currency; and (iii) an increase in current borrowings of HK$181.4 million.

Our net current liabilities position as of December 31, 2022 and 2024 was primarily due to the fact that our Boguty Project was still at the development and construction stage and we consumed cash and incurred liabilities in relation to our construction costs. For details of discussion of our consolidated statements of financial position during the Track Record Period, see "Financial Information—Discussion of Selected Items from the Consolidated Statements of Financial Position."

We recorded net current liabilities of HK$442.9 million as of June 30, 2025 as compared to net current liabilities HK$268.9 million as of December 31, 2024, primarily attributable to (i) an increase in contract liabilities of HK$133.6 million, primarily because we received advance payments from customers in relation to our sales while the relevant products were yet to be delivered; (ii) an increase in borrowings of HK$94.5 million partially offset by an increase in inventories of HK$81.7 million and an increase in trade payables of HK$47.1 million, as we commenced commercial production and sale in the six months ended June 30, 2025.

The increase in our net assets from HK$31.0 million as of December 31, 2022 to HK$146.4 million as of December 31, 2023 was primarily attributable to capital contribution of HK$198.4 million, in relation with capitalization of majority of our loans from Ever Trillion and Jiangxi Copper HK into our share capital and Pre-IPO financing from CRCCII and CCECC HK in February 2023, partially offset by our net loss of HK$80.1 million in 2023. We recorded net liabilities of HK$13.1 million as of December 31, 2024 as compared to our net assets of HK$146.4 million as of December 31, 2023, primarily attributable to our net loss of HK$176.5 million in 2024, partially offset by currency translation differences of HK$17.1 million. We recorded net liabilities of HK$29.9 million as of June 30, 2025 as compared to net liabilities of HK$13.1 million as of December 31, 2024, primarily attributable to our net loss of HK$7.0 million and the currency translation differences of HK$9.8 million in the six months ended June 30, 2025. Taking into account the estimated net proceeds from the Global Offering, we expect that we will have a net assets position immediately after the Listing.

Summary of Consolidated Statements of Cash Flows

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Net cash (used in)/ generated from operating activities	(47,507)	(62,718)	(63,154)	(27,788)	15,554
Net cash (used in) investing activities	(311,332)	(755,630)	(447,012)	(225,425)	(21,467)
Net cash generated from/ (used in) financing activities	189,881	1,187,770	88,236	(33,541)	1,567
Net (decrease)/increase in cash and cash equivalents	(168,958)	369,422	(421,930)	(286,684)	(4,327)
Cash and cash equivalents at beginning of the year/period	287,994	99,496	476,687	476,687	41,440
Effects of exchange rate changes on cash and cash equivalents	(19,540)	7,769	(13,317)	(16,778)	(4,451)
Cash and cash equivalents at end of the year/period	99,496	476,687	41,440	173,225	32,662

We had net cash used in operating activities during the Track Record Period as our Boguty Project was primarily in the exploration and development stage during the Track Record Period. Our principal uses of cash have been development of our Boguty Project and to fund our working capital. During the Track Record Period, we principally financed our working capital and other liquidity requirement through bank borrowings, shareholder loans and internal funds. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of bank balances, net proceeds from the Global Offering, bank and other borrowings and cash generated from our operations.

Taking into account the financial resources available to our Group, including cash and cash equivalents, net proceeds from the Global Offering and cash generated from operations, our Directors are of the opinion that we will have sufficient working capital to cover at least 125% of our present requirements as required under Rule 18.03(4) of the Listing Rules, that is, for at least the next 12 months from the date of this prospectus.

KEY FINANCIAL RATIOS

	As of December 31,			As of June 30,
	2022	2023	2024	2025
Current ratio[1]	0.5	7.2	0.3	0.3
Gearing ratio[2]	93.8%	88.9%	100.8%	101.6%
Debt to equity ratio[3]	1,505.0%	803.1%	N/A[4]	N/A[4]

Notes:

(1) Current ratio is calculated based on the total current assets divided by the total current liabilities as of the end of the respective year or period.

(2) Gearing ratio is calculated based on the net debt (lease liabilities, borrowings and amounts due to shareholders, net of cash and cash equivalents) divided by the total capital (total equity plus net debt) as of the end of the respective year or period and multiplied by 100%.

(3) Debt to equity ratio is calculated based on the net debt (lease liabilities, borrowings and amounts due to shareholders, net of cash and cash equivalents) divided by the total equity as of the end of the respective year or period and multiplied by 100%.

(4) Our debt to equity ratios as of December 31, 2024 and June 30, 2025 are not meaningful as we recorded a deficit as of December 31, 2024 and June 30, 2025.

For details of discussion of our key financial ratios during the Track Record Period, see "Financial Information—Selected Key Financial Ratios."

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by our Company during the Track Record Period and up to the Latest Practicable Date. Any declaration of dividends is subject to our results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant from time to time. In addition, any declaration and payment as well as the amount of the dividends will be subject to constitutional documents and the relevant laws. Currently, we do not have a dividend policy or a pre-determined dividend rate.

As advised by our Hong Kong Legal Advisors, under Hong Kong Law, a position of accumulated losses and net liabilities does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

GLOBAL OFFERING STATISTICS

	Based on an Offer Price of HK$10.92 per Offer Share
Market capitalization[(1)]	HK$4,796.4 million
Unaudited pro forma adjusted consolidated net tangible assets per Share[(2)(3)]	2.53

Note:

(1) The calculation of the market capitalization of our Shares is based on 439,228,800 Shares expected to be in issue and outstanding immediately following the completion of the Global Offering and AIX Offering, assuming the Over-allotment Option is not exercised.

(2) The unaudited pro forma adjusted consolidated net tangible assets per Share is calculated based on 439,228,800 Shares were in issue following the completion of Global Offering and Share Subdivision, but does not take into account of any Shares which may be allotted and issued by the Company pursuant to the exercise of the Over-allotment Option, or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the directors to issue or repurchases Shares as described in the section headed "Share Capital" in this prospectus.

(3) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2025.

RECENT DEVELOPMENT

No Material Adverse Change

Our Directors confirmed that, since June 30, 2025 (being the end of the period reported in the Accountant's Report set out in Appendix I) and up to the date of this prospectus, there had been no material adverse change in our financial or trading positions and there is no event which would materially affect the information shown in our consolidated financial information included in the Accountant's Report in Appendix I to this prospectus.

FUTURE PLANS AND USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$1,087.7 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no exercise of the Over-allotment Option and based on the Offer Price of HK$10.92 per Offer Share. The use of proceeds complies with AIX Belt and Road Market Rules BR 1.1 (R) (a) (e). We intend to use the net proceeds from the Global Offering for the following purposes:

(i) approximately 55.0%, or HK$598.3 million, will be used to fund the capital costs for the development of our Boguty Project, of which:

(a) approximately 17.5%, or HK$190.4 million, will be used to fund the capital costs in relation to the development of tailings ponds of our Boguty Project;

(b) approximately 27.5%, or HK$299.1 million, will be used to fund capital costs in relation to the development of beneficiation plants of the Boguty Project;

(c) approximately 10.0%, or HK$108.8 million, will be used to fund the development of our ore sorting system for Phase II of our commercial production;

(ii) approximately 10.0%, or HK$108.8 million, will be used to fund the development of our ammonium paratungstate (APT) production capabilities;

(iii) approximately 25.0%, or HK$271.9 million will be used to repay the aggregate principal amounts and interest accrued on a portion of our bank borrowings; and

(iv) approximately 10.0%, or HK$108.8 million, will be allocated for working capital and other general corporate purposes.

See "Future Plans and Use of Proceeds" for details.

RISK FACTORS

We believe there are certain risks and uncertainties involved in investing in our Shares, some of which are beyond our control. See "Risk Factors" for details of our risk factors. Some of the major risks we face include:

- We have a limited operating history with net losses during the Track Record Period, and our past performance may not serve as an adequate measure of our future prospects and results of operations.

- We may not generate revenue or grow our business as planned.

- Our mining operations are currently concentrated at one mining site, the Boguty Project in Kazakhstan and our business operation depends on this single mining project.

- We only have a limited track record in commercializing our tungsten products and we expect our product sales to focus on a limited number of customers in the early stage of our commercial production.

- Our SSU Contract may be terminated by the relevant competent authority unilaterally, which would have a material and adverse effect on our business, financial condition and results of operations.

- We rely on contractors for constructions and future mining operation.

- The tungsten Reserves and Resources data presented in this prospectus are estimates and may be inaccurate and our projected future production volumes, turnover and capital expenditures, which are based on these estimates, may differ materially from actual figures.

- Our success depends on the sales of our tungsten products, and the demand and market prices for which are subject to various factors, such as their quality and characteristics and other factors beyond our control, which could materially and adversely affect our business, financial condition and results of operations.

- Our development plan may be delayed or may not progress within budget or achieve commercial viability.

- As we recorded net operating cash outflows in the past, we need to manage our liquidity situation carefully to prevent our results of operation from being materially and adversely affected.

- We may be subject to tax liabilities in the event that Kazakhstan tax non-resident investors who are ineligible for any tax exemptions fail to pay capital gain tax. As a result, our Company, our Directors and the senior management may be held accountable for relevant tax liabilities and may be subject to administrative or criminal penalties.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become involved in legal, arbitral or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings that would have a material and adverse effect on our business, financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any threatened legal, arbitral or administrative proceedings against us that would have a material and adverse effect on our business, financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, save for incidents as disclosed below and in "Business—Legal Proceedings and Compliance," as advised by our Kazakhstan Legal Advisors, Hong Kong Legal Advisors and PRC Legal Advisors, we had complied with the applicable laws and regulations in all material aspects, and we did not have any non-compliance incident which our Directors believe would have a material and adverse effect on our business, financial condition or results of operations.

Delays in Commencing Mining Operations

Pursuant to Addendum No. 3 to the SSU Contract dated December 28, 2020, Subsidiary ZV was required to commence mining operations at the Boguty tungsten mine no later than 2022. We did not commence production until November 2024 due to various factors beyond our control, such as delays due to COVID-19. However, we have regularly communicated with the MIC on our progress, and we commenced phase I commercial production in April 2025. See "Business—Legal Proceedings and Compliance—Delays in Commencing Mining Operations" for details of our key communications with the MIC as of the Latest Practicable Date.

Underperformance of Financial Obligations under the SSU Contract

During the Track Record Period, we received three notification letters from the MIC alleging (i) a past due amount of KZT69,888,299 (approximately HK$1,214,182) for 2021 in connection with regional social development under the SSU Contract, (ii) our failure to spend funds on training of Kazakhstan employees as required by the SSU Contract for 2022 in the amount of KZT40,359,000 (approximately HK$701,164), and (iii) our failure to meet certain financial obligations (i.e., financing of scientific research, scientific and technical, and/or experimental design work provided by Kazakhstani producers of goods, works and services, and/or projects by participants of the "Park of Innovative Technologies" innovation cluster) as required by the SSU Contract for 2023 in the amount of KZT 95,028,000 (approximately HK$1,650,938). We had fully settled the amount as of the Latest Practicable Date, and received confirmation of our rectification of such non-compliance from the MIC, including a confirmation that the issue of terminating the subsoil use rights was not under consideration. See "Business—Legal Proceedings and Compliance—Underperformance of Financial Obligations under the SSU Contract" for details.

Based on the review of (i) the SSU Contract which provides that the MIC is entitled to terminate the SSU Contract unilaterally if there are at least two breaches of the SSU Contract or associated project documents which have not been rectified by Subsidiary ZV within the term as specified in the respective notifications of the MIC, (ii) the fact that we had not received any notification letter from the MIC indicating any unrectified non-performance, breaches and/or non-compliance as required under the SSU Contract as of the Latest Practicable Date which would trigger the unilateral termination right of the MIC under the SSU Contract, (iii) our regular communications with the MIC on this matter where the MIC was fully notified of the delays in commencing mining operation; and (iv) the confirmation letters (No. ZT-2023-02676870, the "First Confirmation Letter," and No. ZT-2024-03681260, the "Second Confirmation Letter") issued by the MIC to Subsidiary ZV on December 30, 2023 and April 24, 2024, respectively, our Kazakhstan Legal Advisors are of the view that there is no risk of termination of the SSU Contract by the MIC as a result of our delay in the commencement of production at the Boguty tungsten mine and the other non-compliance with the SSU Contract as described above.

Taking into account the above view of our Kazakhstan Legal Advisors, our regular communications with the MIC on our operations at the Boguty tungsten mine, the fact that we had not received any notification from the MIC indicating any unrectified non-performance, breaches and/or non-compliance as required under the SSU Contract as of the Latest Practicable Date, our Directors are of the view that there is no risk of the SSU Contract being terminated as a result of our delay in the commencement of production at the Boguty tungsten mine and the other non-compliance with the SSU Contract as described above and such incidents will not have a material adverse impact on our operations.

Environmental Issue Lawsuits in Connection with Our Public Hearings

As required by relevant Kazakhstan laws and regulations, we are required to hold public hearings for conducting any activity that may affect the environment in the areas adjacent to the Boguty deposit. In October 2018, Subsidiary ZV held a public hearing in connection with changes to the mining works plan on the reserves calculation using new data on exploration, technology and economics, and a total of three lawsuits were filed against us in connection with such public hearing. As of the Latest Practicable Date, all claims raised in these lawsuits had been dismissed or withdrawn and the appeal period for all these lawsuits had ended. There was an appeal filed on the decision of one of these lawsuits in May 2024, and the court hearing for this appeal took place in July 2024. The appellate court rejected this appeal and upheld the initial court decision that all claims raised in this lawsuit shall be rejected. See "Business—Legal Proceedings and Compliance—Environmental Issue Lawsuits in Connection with Our Public Hearings" for details of these incidents.

LISTING EXPENSES

The total amount of listing expenses that will be borne by us in connection with the Global Offering is estimated to be HK$111.4 million (representing 10.2% of gross proceeds from the Global Offering, based on the Offer Price of HK$10.92 per Offer Share). The listing expenses include underwriting commissions (based on the Offer Price of HK$10.92 per Offer Share) of approximately HK$41.8 million, fees and expenses of legal advisors and accountants of approximately HK$38.8 million and other fees and expenses of approximately HK$30.8 million, primarily including fees and expenses of financial printer, Independent Technical Consultant, background search agent and industry consultant. HK$60.6 million of the listing expenses is expected to be accounted for as a deduction from equity in accordance with the relevant accounting standard. The remaining fees and expenses of HK$50.8 million were or are expected to be charged to our consolidated statements of profit or loss, of which approximately HK$0.6 million was charged to our administrative expenses for the year ended December 31, 2022, approximately HK$19.1 million was charged to our administrative expenses for the year ended December 31, 2023, approximately HK$11.5 million was charged to our administrative expenses for the year ended December 31, 2024, approximately HK$13.5 million was charged to our administrative expenses for the six months ended June 30, 2025 and approximately HK$6.1 million is expected to be charged to our administrative expenses subsequent to the end of the Track Record Period. The professional fees and/or other expenses related to the preparation of the Listing subsequent to the end of the Track Record Period are currently estimates for reference only and the actual amount to be recognized is subject to adjustment based on audit and the changes in variables and assumptions.

OUR LISTING ON THE AIX

Starting from June 1, 2022 (following the retrospective amendments introduced by the Law on Amendments), (i) the Global Offering is exempted from prior written permission of the AFR; and (ii) the Company is not subject to mandatory offer of the new Shares for purchase on any local stock exchange in Kazakhstan (including the AIX and the KASE) as part of the International Offering. Nevertheless, in order for the investors to enjoy the benefits of the AIFC Exemption, our Shares will be listed and offered for subscription on the AIX. In connection with the AIX Offering, application has been made to the AIX to (i) admit our Shares to be issued pursuant to the AIX Offering to the Official List of the AIX Belt and Road Market Segment; and (ii) admit the Shares for trading on the AIX.

Our Company intends to maintain the proposed listing of our Shares on the Official List of the AIX alongside the proposed listing of our Shares on the Stock Exchange. Application has been made to (i) the Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering; and (ii) the AIX to admit our Shares to be issued pursuant to the AIX Offering to the Official List of the AIX Belt and Road Market Segment, and to admit the Shares for trading on the AIX. Our Company has obtained permission of the MIC dated October 14, 2024 for the Listing on the Stock Exchange and the AIX.

We have obtained official written permission of the Competent Authority on October 14, 2024 for the Global Offering on the Stock Exchange and for the AIX Offering on the AIX. According to the SSU Code, the permission is in effect during the period from October 14, 2024 to October 13, 2025 (both days inclusive). Pursuant to the permission, the Company may issue from 19,610,000 Shares to 784,330,000 Shares for listing and trading on the Main Board of the Stock Exchange and/or the AIX, the organized securities markets. The permission does not set the Offer Price/AIX Offer Price and this permission is in line with the requirements of the SSU Code as to the content of the permission. In addition, according to the SSU Code, if the following corporate actions, including top-up placing, open offer, rights issue, options issue, share transactions as well as mergers and acquisitions are carried out on the Stock Exchange and/or the AIX within the permitted Shares issue, or those actions fall under any of the Transfer Exemptions, no new permission from the Competent Authority is necessary.

Our Company may choose not to proceed with the Listing unless the AIX has granted or agreed to grant approval for the dealings in the Shares on the AIX not later than 8:00 a.m. HKT on the Listing Date. The AIX Listing will not proceed unless the Stock Exchange has granted approval for the listing and dealings of Shares not later than 8:00 a.m. HKT on the Listing Date. Notwithstanding the foregoing, the Listing and the AIX Listing are two separate processes. The Listing can proceed independently even if the AIX Listing is delayed or rejected. However, our Company may choose to delay or not proceed with the Listing if the AIX Listing is delayed or rejected given that the AIFC Exemption will not apply unless the Shares are also listed on the AIX. The AIX Listing is conditional upon the approval from the Stock Exchange and the Listing as certain listing and trading requirements have been waived by the AIX by recognizing the Stock Exchange's status as an equivalent regulated exchange under the AIX Prospectus Rules (Rule 7) and AIX Markets Listing Rules (Rule 14). Therefore, any delays with the AIX Listing will not affect the legality and validity of the Listing under the Kazakhstan laws. In addition, once the Shares are admitted to the AIX, the AIFC Exemption will apply, as confirmed by the publication of the "Notice of Admission to the Official List" on the AIX website.

The AIX Offering will be led by and managed solely by the AIX bookrunners. Prospective investors who intend to participate in the AIX Offering should review this prospectus, which contains important information about the AIX Offering. 1,317,600 Shares, which represents approximately 1.2% of the Offer Shares (subject to reallocation and assuming the Over-allotment Option is not exercised), is proposed to be issued through the AIX Offering.

The AIX Offer Price shall be RMB9.93 (equivalent to HK$10.92) per Share, at the rate of RMB0.90964 to HK$1.00. The offer price on the Stock Exchange and the AIX (i.e. the Offer Price and the AIX Offer Price) are the same.

The timetable for the AIX Offering is set out below:

Bookbuilding on AIX commences	9:00 a.m. ALMT on Wednesday, August 20, 2025
Bookbuilding on AIX closes	12:00 noon ALMT on Monday, August 25, 2025
Announcement of the level of indications of interest in the AIX Offering to be published on (i) the website of the AIX at **www.aix.kz**; and (ii) on the website of our Company at **www.jiaxinir.com** on or before	Wednesday, August 27, 2025 ALMT
Results of allocation on the AIX Offering will be available through AIX facilities	Wednesday, August 27, 2025 ALMT
Settlement date of the AIX Offering and date of admission to Official List of AIX	Thursday, August 28, 2025 ALMT
Dealings in the Shares on the AIX are expected to commence on	11:00 a.m. ALMT on Thursday, August 28, 2025

Both Kazakhstan tax resident investors and tax non-resident investors may be subject to Kazakhstan income tax for capital gains or dividends derived from our Shares, unless they are eligible for applicable tax exemptions. A summary of the tax exposure of the tax residents and non-residents of Kazakhstan is as follows.

The Shares listed on both the Stock Exchange and the AIX

In the event that the Shares are listed on both the Stock Exchange and the AIX, tax residents and non-residents of Kazakhstan (whether individuals or legal entities) are entitled to the AIFC Exemption, which exempts them from capital gains tax and dividend income tax derived from the Shares. The AIFC Exemption applies so long as the Shares are included in the Official List of the AIX. In the context of dividend income tax, the Kazakhstan tax residents (individuals) are subject to a further requirement of a trading criteria, i.e. a trading volume of at least 25 million tenge per month (which is the equivalent of approximately HK$432,000) and at least 50 transactions per month.

Further, in respect of capital gains derived from disposal of the Shares, the Open-trade Exemption applies to tax resident investors (individuals and legal entities) if the Shares are sold through open trade on the AIX. For tax non-residents (legal entities), the exemption extends to sales conducted on both the Kazakhstan and foreign stock exchanges (including the Stock Exchange); while tax non-residents (individuals) can only claim the exemption for sales conducted on the AIX. For details, please refer to "*Regulatory Overview—Exemptions under the AIFC Constitutional Law and the Tax Code*".

In the hypothetical situation where neither exemption applies to Shares listed on both the AIX and Stock Exchange, the tax residents (individuals and legal entities) and tax non-residents (legal entities) would be subject to a tax rate ranging from 10% to 20% for capital gains derived from the disposal of Shares. However, for dividend income tax, both tax residents and tax non-residents (in each case, whether individuals or legal entities) would not be subject to any dividend income tax obligation, except for tax resident individuals who would be subject to 10% income tax. For details, please refer to "*Regulatory Overview—Potential consequences in a hypothetical situation where both the AIFC Exemption and Open-trade Exemptions under the Tax Code are not available, or if tax authorities take a different view in the application and interpretation of the AIFC Constitutional Law and the Tax Code—Taxation of tax resident investors*" and "*Regulatory Overview—Potential consequences in a hypothetical situation where both the AIFC Exemption and Open-trade Exemptions under the Tax Code are not available, or if tax authorities take a different view in the application and interpretation of the AIFC Constitutional Law and the Tax Code—Taxation of tax non-resident investors*".

The Shares listed on the Stock Exchange only

In the event that the Shares are listed on the Stock Exchange only, the AIFC Exemption does not apply to tax residents and non-residents of Kazakhstan (whether individuals or legal entities) given that the Shares are not admitted to the Official List of the AIX. In such cases, only tax non-residents (legal entities) could enjoy the Open-trade Exemption for capital gain tax if the Shares are sold through open trade of the Stock Exchange. Tax residents (individuals or legal entities) and tax non-residents (legal entities) are subject to a tax rate ranging from 10%-20% for capital gain derived from the Shares traded on the Stock Exchange; while for dividend income tax, only tax residents (individuals) are subject to a tax rate of 10% for the Shares traded on the Stock Exchange. In the hypothetical situation where the Open-trade Exemption does not apply to tax non-residents (legal entities), tax non-residents (legal entities) would be subject to a tax rate of 15% to 20% for capital gains incurred. For details, please refer to "*Regulatory Overview—Potential consequences in a hypothetical situation where both the AIFC Exemption and Open-trade Exemptions under the Tax Code are not available, or if tax authorities take a different view in the application and interpretation of the AIFC Constitutional Law and the Tax Code—Taxation of tax resident investors*" and "*Regulatory Overview—Potential consequences in a hypothetical situation where both the AIFC Exemption and Open-trade Exemptions under the Tax Code are not available, or if tax authorities take a different view in the application and interpretation of the AIFC Constitutional Law and the Tax Code—Taxation of tax non-resident investors*".

Investors should consult their professional tax advisors on their exposure to Kazakhstan tax for investing and dealing in the Shares. There is currently no effective and comprehensive mechanism for investors and the Company to assess, report and settle their dividend income tax and capital gain tax obligation if AIFC Exemption and Open-trade Exemption are not available. In the case of non-fulfillment of tax obligations, Kazakhstan tax authorities may impose tax and other administrative or criminal liabilities on Subsidiary ZV and their chief executive officers (directors) or other authorized personnel responsible for decisions/actions which led to non-fulfillment.

SUMMARY OF THE MATERIAL KEY DIFFERENCES BETWEEN THE LISTING RULES, CERTAIN APPLICABLE HONG KONG LAWS, THE AIX BUSINESS RULES AND AIFC MARKET RULES

Our Company intends to list its Shares on the Stock Exchange and the AIX. The following is a summary of material key differences between (i) the Listing Rules and certain applicable Hong Kong laws; and (ii) the AIX Business Rules and the AIFC Market Rules:

- unlike the Listing Rules (i.e. Rule 13.66 of the Listing Rules) and applicable Hong Kong laws, there are no corresponding provisions in the AIX Business Rules and AIFC Market Rules dealing with the transfer books and register of members; please refer to "Appendix V—Further Information About Listing on the Stock Exchange and the AIX—Summary of the Major Differences between the Listing Rules, Certain Applicable Hong Kong Laws, the AIX Business Rules and AIFC Market Rules—Rule 13.66, Listing Rules: Closure of Books and Record Date."

- in relation to disclosure of shareholding interests by substantial shareholders under the SFO, the AIFC Market Rules and AIX Business Rules do not stipulate a definition of "substantial shareholder"; please refer to "Appendix V—Further Information About Listing on the Stock Exchange and the AIX—Summary of the Major Differences between the Listing Rules, Certain Applicable Hong Kong Laws, the AIX Business Rules and AIFC Market Rules—Shareholders Reporting Obligations."

- the AIFC Market Rules and AIX Business Rules do not have corresponding or similar provisions dealing with powers of directors to issue shares; please refer to "Appendix V—Further Information About Listing on the Stock Exchange and the AIX—Issuance of New Shares, Convertible Bonds or Bonds with Warrants —Section 140 and 141, Companies Ordinance: Allotment and Issue of Shares."

- unlike the Listing Rules (i.e. Chapter 17 of the Listing Rules), there are no corresponding or similar provisions in the AIX Business Rules or the AIFC Market Rules dealing with terms of share schemes (including share option schemes and share award schemes); please refer to "Appendix V—Further Information About Listing on the Stock Exchange and the AIX—Issuance of New Shares, Convertible Bonds or Bonds with Warrants—Rule 17.03, Listing Rules: Terms of Share Option Schemes."

- the AIFC Market Rules and the AIX Business Rules currently do not have rules and regulations corresponding or similar to the Takeovers Code; please refer to "Appendix V—Further Information About Listing on the Stock Exchange and the AIX—Takeover Obligations—Rules and regulations corresponding or similar to the Takeover Code under the AIX and AIFC regulatory frameworks."

- AIX Business Rules provide for additional listing requirements and easements from such requirements to mining companies (such as the Company) and companies the aggregate market value of shares of which on all stock exchanges (in this case, the Stock Exchange and AIX) does not exceed USD200 million. Please refer to "Appendix V—Further Information About Listing on the Stock Exchange and the AIX—AIX Regulations regarding the Mining Companies and Regional Equity Market Companies."

Prospective investors and/or the Shareholders should consult their own legal advisors for specific legal advice concerning their legal rights and obligations under Hong Kong laws and AIX and AIFC rules and regulations. In the event of any conflict between the Hong Kong laws, rules and regulations, including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO, on the one hand, and the AIX or the AIFC rules and regulations, including but not limited to the AIX Business Rules (which include the AIX Market Disclosure Rules, the AIX Markets Listing Rules, the AIX Admission and Disclosure Standards and the AIX Mining Company Rules) and the AIFC Market Rules, on the other hand, we shall comply with the more restrictive and stringent rule.

In this prospectus, unless the context otherwise requires, the following terms shall have the meanings set out below. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this prospectus.

"2010 SSU Law"	the Law of the Republic of Kazakhstan "On Subsoil and Subsoil Use" No. 291-IV dated June 24, 2010, as amended (ceased to be in force on June 29, 2018, save for certain provisions as specified in the SSU Code)
"Accountant's Report"	the accountant's report of our Company for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus
"Administrative Code"	the Code of the Republic of Kazakhstan "On Administrative Violations" No. 235-V dated July 5, 2014, as amended
"AFR"	the Agency of the Republic of Kazakhstan for the Regulation and Development of the Financial Market
"AFRC"	the Accounting and Financial Reporting Council
"AFSA"	the Astana Financial Services Authority
"AIFC"	the Astana International Financial Center
"AIFC Constitutional Law"	the Constitutional Law of the Republic of Kazakhstan "On International Financial Center "Astana" No. 438-V" dated 7 December 2015, as amended, consolidated or otherwise modified from time to time
"AIFC Exemption"	an exemption granted by the AIFC Constitutional Law to individuals and legal entities (irrespective of their tax residency) from Kazakhstan income tax on dividends (subject to, in respect of Kazakhstan tax resident individuals and tax non-residents, trading criteria) received on, and capital gains derived from the transfer of, securities listed on the AIX, until January 1, 2066
"AIFC Market Rules"	the AIFC Market Rules (AIFC Rules No. FR0003 of 2017), approved on October 17, 2017, as amended

"AIX"	the Astana International Exchange
"AIX Belt and Road Market Segment"	the special segment on the AIX which provides capital market solutions for the "Belt and Road Initiative" projects
"AIX Business Rules"	the AIX Business Rules adopted by AIX Board of Directors and approved by AFSA as of November 12, 2017, as amended
"AIX CSD"	AIX Central Securities Depository Limited
"AIX CSD Rules"	the AIX Central Securities Depository Business Rules (Version 5.0, June 2022)
"AIX CSD Settlement Bank"	Citibank Kazakhstan JSC
"AIX Listing"	the listing of our Shares on the AIX
"AIX Markets Listing Rules"	the Markets Listing Rules of the AIX Business Rules
"AIX Market Notice"	a communication issued to market participants by the AIX and posted on the AIX website
"AIX Offering"	the offer of 1,317,600 Offer Shares and (subject to reallocation as described in section headed "Structure of the Global Offering" in this prospectus) being initially offered to institutional and retail investors through the facilities of the AIX in Kazakhstan pursuant to the AIX regulations and settlement procedures, as part of the Global Offering
"AIX Offer Price"	RMB9.93 per Offer Share (equivalent to HK$10.92 per Offer Share)
"AIX Registrar"	Astana International Exchange Registrar Limited
"AIX Removal Request Form"	form for transferring the Shares from the AIX to the Stock Exchange
"AIX Trading Member"	a person who has a valid and active trading membership agreement with the AIX
"ALMT"	time of Almaty, Kazakhstan

"Articles" or "Articles of Association"	the articles of association of our Company, conditionally adopted by our Shareholders on August 15, 2025, which will come into effect from the date on which this prospectus (together with the other documents required) are submitted to the Registrar of Companies in Hong Kong and, as amended, supplemented or otherwise modified from time to time, a summary of which is set forth in Appendix IV to this prospectus
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Board
"Board" or "Board of Directors"	the board of Directors
"Boguty Project"	the geological exploration, mining of tungsten ore and construction of the processing facilities of the tungsten ore in Boguty, Kazakhstan by our Company
"Business Day(s)"	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong and Kazakhstan are generally open to the public for normal banking business
"BVI"	the British Virgin Islands
"CAGR"	compound annual growth rate
"Capital Market Intermediaries" or "CMIs"	the capital market intermediaries participating in the Global Offering and has the meaning ascribed to it under the Listing Rules
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCECC"	China Civil Engineering Construction Corporation Ltd. (中國土木工程集團有限公司), a company incorporated in the PRC with limited liability on June 1, 1979, being a wholly-owned subsidiary of CRCC

"CCECC HK"	CCECC (H.K.) Limited (中土工程(香港)有限公司), a company incorporated in Hong Kong with limited liability on November 21, 1986, being one of our Pre-IPO Investors
"China" or "the PRC"	the People's Republic of China, and for the purposes of this prospectus only, except where the context requires otherwise, excluding Hong Kong, the Macao Special Administrative Region of the People's Republic of China, and Taiwan
"Civil Code"	the Civil Code of the Republic of Kazakhstan (general part dated December 27, 1994 and special part dated July 1, 1999), as amended
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company" or "our Company"	Jiaxin International Resources Investment Limited (佳鑫國際資源投資有限公司), a company incorporated in Hong Kong with limited liability on August 29, 2014
"Competent Person" or "Independent Technical Consultant"	SRK Consulting (Hong Kong) Limited, an Independent Third Party
"Compliance Advisor"	Guolian Securities International Capital Market Co., Limited
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules

"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Jiangxi Copper, Jiangxi Copper HK, Mr. Liu Zijia and Ever Trillion, details of which are set out in the section headed "Relationship with our Controlling Shareholders" in this prospectus
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"COVID-19"	the novel coronavirus identified as the source of a global outbreak of respiratory illness in late 2019
"CRCC"	China Railway Construction Corporation Limited (中國鐵建股份有限公司), a joint stock company incorporated in the PRC with limited liability on November 5, 2007 and listed on the Stock Exchange (stock code: 1186) and the Shanghai Stock Exchange (stock code: 601186)
"CRCCII"	CRCC International Investment Group Limited (中國鐵建國際投資集團有限公司), a company incorporated in Hong Kong with limited liability on July 14, 2008, being one of our Pre-IPO Investors
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the Chinese national securities markets
"Currency Regulation and Currency Control Law"	the Law of the Republic of Kazakhstan "On Currency Regulation and Currency Control" dated July 2, 2019 (as amended)
"Director(s)"	the director(s) of our Company
"EIA"	Environmental Impact Assessment
"Environmental Code"	the Environmental Code of the Republic of Kazakhstan No. 400-VI dated January 2, 2021, as amended
"ESG"	environmental, social and governance
"ESG Committee"	the environmental, social and governance committee of the Board

"EUR" or "Euro"	the lawful currency of the European Union
"Ever Trillion"	Ever Trillion International Limited (恒兆國際有限公司), a company incorporated in Hong Kong with limited liability on September 14, 2018, being one of our Controlling Shareholders
"Ever Trillion Controlling Shareholders Group"	Mr. Liu Zijia (劉子嘉) and Ever Trillion
"Extreme Conditions"	the occurrence of "extreme conditions" as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below
"FINI"	Fast Interface for New Issuance, an online platform operated by HKSCC that is mandatory for admission to trading and, where applicable, the collection and processing of specified information on subscription in and settlement for all new listings
"Frost & Sullivan"	Frost & Sullivan Limited, our industry consultant
"Frost & Sullivan Report"	the report commissioned by our Company and independently prepared by Frost & Sullivan, a summary of which is set out in the section headed "Industry Overview" in this prospectus
"Global Offering"	the Hong Kong Public Offering and the International Offering
"Goldblink"	Goldblink Resources Limited, a company incorporated in the BVI with limited liability on June 22, 2021
"Goldblink Call Option"	Goldblink's call option to acquire the Target Shares from Ever Trillion pursuant to the Loan Agreement
"Group," "our Group," "the Group," "we," "us," or "our"	our Company and our subsidiaries

"Guide" or "Guide for New Listing Applicants"	the Guide for New Listing Applicants issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"HK" or "Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKFRS"	HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC EIPO"	the application for the Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your designated HKSCC Participant's stock account through causing HKSCC Nominees to apply on your behalf, including by instructing your **broker** or **custodian** who is a HKSCC Participant to give **electronic application instructions** via HKSCC's FINI system to apply for the Hong Kong Offer Shares on your behalf
"HKSCC Nominees"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"HKSCC Operational Procedures"	the operational procedures of HKSCC, containing the practices, procedures and administrative or other requirements relating to HKSCC's services and the operation and functions of systems established, operated and/or otherwise provided by or through HKSCC (including FINI and CCASS), as from time to time in force
"HKSCC Participant"	a participant admitted to participate in CCASS as a direct clearing participant, a general clearing participant or a custodian participant
"HKT"	time of Hong Kong

"Hong Kong Legal Advisors"	H.Y. Leung & Co. LLP, the legal advisors of our Company as to Hong Kong laws in respect of matters relating to our business operations in Hong Kong
"Hong Kong Listing Rules" or "Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Hong Kong Offer Shares"	the 10,981,200 new Shares being initially offered by our Company for subscription in the Hong Kong Public Offering, subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) on the terms and subject to the conditions described in this prospectus as further described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering" in the prospectus
"Hong Kong Share Register"	the register of members of our Shares maintained by the Hong Kong Share Registrar
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Hong Kong Takeovers Code" or "Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the section headed "Underwriting — Hong Kong Underwriters" in this prospectus

"Hong Kong Underwriting Agreement"	the underwriting agreement dated August 19, 2025 relating to the Hong Kong Public Offering entered into by our Company, our Controlling Shareholders, the Sole Representative and the Hong Kong Underwriters as further described in the section headed "Underwriting — Underwriting Arrangements — Hong Kong Public Offering" in this prospectus
"IFRS"	IFRS Accounting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Technical Report"	the independent technical report prepared by the Competent Person as set out in Appendix III to this prospectus
"Independent Third Party(ies)"	any entity or person who or which, to the best of our Directors' knowledge and belief, having made all reasonable enquiries, is not a connected person of our Company within the meaning ascribed to it under the Listing Rules
"International Offer Shares"	the 98,827,600 new Shares (including 1,317,600 new Shares under the AIX Offering) being initially offered by our Company for subscription in the International Offering, together with, where relevant, any additional Shares to be issued pursuant to the exercise of the Over-allotment Option, subject to reallocation as described in the section headed "Structure of the Global Offering" in this prospectus
"International Offering"	the offer of the International Offer Shares at the Offer Price outside the United States in offshore transactions in reliance on Regulation S or any other available exemption from registration under the U.S. Securities Act, as further described in the section headed "Structure of the Global Offering" in this prospectus
"International Underwriters"	the group of international underwriters expected to enter into the International Underwriting Agreement relating to the International Offering

"International Underwriting Agreement"	the international underwriting agreement relating to the International Offering expected to be entered into by our Company, our Controlling Shareholders, the Sole Representative and the International Underwriters on or about August 26, 2025, as further described in the section headed "Underwriting — Underwriting Arrangements — The International Offering" in this prospectus
"Jiangxi Copper"	Jiangxi Copper Company Limited (江西銅業股份有限公司), a sino-foreign joint venture joint stock company incorporated in the PRC with limited liability on January 24, 1997 and listed on the Stock Exchange (stock code: 0358) and the Shanghai Stock Exchange (stock code: 600362), being one of our Controlling Shareholders
"Jiangxi Copper Controlling Shareholders Group"	Jiangxi Copper and Jiangxi Copper HK
"Jiangxi Copper HK"	Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司), a company incorporated in Hong Kong with limited liability on June 8, 2016, being one of our Pre-IPO Investors and one of our Controlling Shareholders
"Jiaxin Luxembourg"	Jiaxin International Resources Investment S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated on September 12, 2014 under the laws of Luxembourg, and a wholly-owned subsidiary of our Company
"Jiaxin Zhuhai"	Jiaxin (Zhuhai Hengqin) Technology Services Co., Ltd. (佳鑫(珠海橫琴)技術服務有限公司), a company established in the PRC with limited liability on April 4, 2019 and a wholly-owned subsidiary of our Company
"Joint Bookrunners"	the joint bookrunners as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"Joint Global Coordinators"	the joint global coordinators as named in "Directors and Parties Involved in the Global Offering" in this prospectus

"Joint Lead Managers"	the joint lead managers as named in "Directors and Parties Involved in the Global Offering" in this prospectus
"KASE"	the Kazakhstan Stock Exchange JSC
"Kazakhstan"	the Republic of Kazakhstan
"Kazakhstani Government"	the Government of the Republic of Kazakhstan
"Kazakhstan Legal Advisors"	Egen Gregory LLP, the legal advisors to our Company as to Kazakhstan laws and the acting law of the AIFC
"Kazakhstan Tax Advisors"	SSH Tax & Legal Solutions LLP, the tax advisors to our Company
"KZT" or "Tenge"	Kazakhstani Tenge, the lawful currency of Kazakhstan
"Labor Code"	the Labor Code of the Republic of Kazakhstan No. 414-V dated November 23, 2015, as amended
"Land Code"	the Land Code of the Republic of Kazakhstan No. 442-II dated June 20, 2003, as amended
"Latest Practicable Date"	August 11, 2025, being the latest practicable date for ascertaining certain information in this prospectus before its publication
"Law on Amendments"	the Law "On Amendments and Additions to Certain Legislative Acts of the Republic of Kazakhstan on the Matters Regarding the Regulation and Development of the Insurance Market and Securities Market, the Banking Activity" No. 138-VII dated July 12, 2022. As part of the Law on Amendments, Article 22-1 of the Securities Market Law was amended retrospectively from June 1, 2022
"Listing"	the listing of our Shares on the Main Board of the Stock Exchange
"Listing Date"	the date, expected to be on or about August 28, 2025 HKT, on which our Shares are to be listed and on which dealings in our Shares on the Main Board of the Stock Exchange first commence

"Loan Agreement"	the loan agreement dated November 20, 2023 entered into between Mr. Liu Zijia, Ever Trillion and Goldblink in relation to certain financing arrangements
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"MIC"	the Ministry of Industry and Construction of Kazakhstan, which starting from September 1, 2023 is the competent authority in the mining industry of Kazakhstan
"MID"	the Ministry of Investments and Development of Kazakhstan, a predecessor of the MIC
"MIID"	the Ministry of Industry and Infrastructural Development of Kazakhstan, a predecessor of the MIC
"NBK"	the National Bank of the Republic of Kazakhstan
"Nomination Committee"	the nomination committee of the Board
"Offer Price"	HK$10.92 per Offer Share (exclusive of brokerage fee of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%)
"Offer Shares"	the Hong Kong Offer Shares and the International Offer Shares, where relevant, with any Shares being issued pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option to be granted by our Company to the International Underwriters, exercisable by the Sole Representative (for itself and on behalf of the other International Underwriters), pursuant to which we may be required to allot and issue up to an aggregate of 16,471,200 additional Shares (representing in aggregate approximately 15% of our Shares initially being offered under the Global Offering) at the Offer Price to cover over-allocations in the International Offering, if any, details of which are described in the section headed "Structure of the Global Offering" in this prospectus

"Overall Coordinators"	China International Capital Corporation Hong Kong Securities Limited and China Galaxy International Securities (Hong Kong) Co., Limited
"PRC Legal Advisors"	Global Law Office, the legal advisors of our Company as to PRC laws
"Pre-IPO Investment(s)"	the pre-IPO investments in our Company undertaken by the Pre-IPO Investors, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Pre-IPO Investor(s)"	the investor(s) who participated in our Pre-IPO Investments, details of which are set out in the section headed "History and Corporate Structure" in this prospectus
"Province"	a province or, where the context requires, a provincial level autonomous region or municipality, under the direct supervision of the central government of the PRC
"Regulation S"	Regulation S under the U.S. Securities Act
"Remuneration Committee"	the remuneration committee of the Board
"Renminbi" or "RMB" or "CNY"	the lawful currency of the PRC
"SAFE"	State Administration of Foreign Exchange of China (中華人民共和國國家外匯管理局)
"Securities Market Law"	the Law of the Republic of Kazakhstan "On Securities Market" No. 461-II dated June 2, 2003, as amended
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO" or "Securities and Futures Ordinance"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Stock Exchange"	the Shanghai Stock Exchange (上海證券交易所)
"Share(s)"	ordinary share(s) of the Company

"Share Subdivision"	the subdivision of the Company's issued Shares each into 28,000 Shares as approved by the Shareholders by way of a written resolution passed on August 15, 2025
"Shareholder(s)"	holder(s) of our Share(s)
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange (深圳證券交易所)
"Sole Representative"	China International Capital Corporation Hong Kong Securities Limited
"Sole Sponsor"	China International Capital Corporation Hong Kong Securities Limited
"Sole Sponsor-Overall Coordinator"	China International Capital Corporation Hong Kong Securities Limited
"SSU Code"	the Code of the Republic of Kazakhstan "On Subsoil and Subsoil Use" No. 125-VI dated December 27, 2017, as amended
"Stabilizing Manager"	China International Capital Corporation Hong Kong Securities Limited
"State Council"	the State Council of the PRC (中華人民共和國國務院)
"Stock Borrowing Agreement"	the stock borrowing agreement expected to be entered into between the Stabilizing Manager and Ever Trillion on or around August 26, 2025
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed to it under the Listing Rules
"Subsidiary AK"	Aral-Kegen LLP, a limited liability partnership registered under the laws of Kazakhstan on December 28, 2011 and held as to 99.99% by the Company
"Subsidiary ZV"	Zhetisu Volframy LLP, a limited liability partnership registered under the laws of Kazakhstan on July 31, 2014 and held as to 97% by Subsidiary AK
"substantial shareholder(s)"	has the meaning ascribed to it under the Listing Rules

"Target Shares"	the 1,567 shares of our Company before the Share Subdivision which may be acquired by Goldblink from Ever Trillion under the Goldblink Call Option, amounting to 43,876,000 Shares of our Company immediately following the Share Subdivision, subject to further adjustment to the total issued share capital of our Company in the event of share subdivision, distribution of bonus shares or share consolidation (if applicable) during the period from the date of entering into the Loan Agreement to the closing date of the exercise of the Goldblink Call Option
"Tax Code"	the Code of the Republic of Kazakhstan "On Taxes and Other Obligatory Payments to the Budget" No. 120-VI dated December 25, 2017, introduced with effect from January 1, 2018, as amended
"Track Record Period"	the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025
"United States" or "U.S." or "US"	the United States of America
"U.S. dollars" or "USD" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Person"	has the meaning given to it in Regulation S
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"Water Code"	the Water Code of the Republic of Kazakhstan dated July 9, 2003
"**White Form eIPO**"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website of the **White Form eIPO** Service Provider, at **www.eipo.com.hk**

"**White Form eIPO** Service Provider"	Computershare Hong Kong Investor Services Limited
"%"	per cent

For ease of reference, the names of Chinese laws and regulations, governmental authorities, institutions, natural persons or other entities (including certain of our subsidiaries) have been included in the prospectus in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail. English translations of company names and other terms from the Chinese language are provided for identification purposes only.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

In this prospectus, unless otherwise stated, certain amounts denominated in Tenge have been translated into Hong Kong dollars at an exchange rate of KZT68.73 = HK$1.00, for illustration purpose only. Such conversions shall not be construed as representations that amounts in Tenge were or could have been or could be converted into Hong Kong dollars at such rates or any other exchange rates on such date or any other date.

This glossary contains definitions of certain technical terms used in this prospectus in connection with us and our business. These may not correspond to standard industry definitions, and may not be comparable to similarly terms adopted by other companies.

"adit"	a horizontal or nearly horizontal passage to an underground mine
"ammonium paratungstate" or "APT"	a white crystallized powder with the chemical formula $(NH_4)_{10}(H_2W_{12}O_{42})\cdot 4H_2O$, which is an important precursor for the majority of tungsten products
"ball mill"	a type of grinder used to grind or blend materials for use in mineral dressing processes, paints, pyrotechnics, ceramics and selective laser sintering
"beneficiation"	a process to upgrade the mineralized content of an ore or ore concentrates typically through flotation, gravity or magnetic separation
"cemented carbides"	composite materials, such as cutting blades, cutting tools and drill bits, consisting of a hard phase and a skeleton of tungsten-based carbide grains, embedded in tough binder metals, which serve as wear-resistant materials used in industries such as mining, petroleum, automobile and machinery manufactory
"circular vibrating screen"	a device made with a screening surface vibrated mechanically with an elliptical vibration track at high speeds that is typically used for screening ore, coal or other fine dry materials
"concentrate"	a powdery or liquid product containing an upgraded mineral content resulting from initial processing of mined ore to remove some waste materials, which is an intermediary product and would still be subject to further processing, such as smelting, to effect recovery of metal
"cut-off grade"	the grade threshold above which a mineral is considered economic to mine
"deposit"	a natural occurrence of a useful mineral or an ore that is sufficient in extent and degree of concentration to invite exploitation

"development"	the phase in mining operations that occurs after exploration has proven successful and before full-scale production
"dilution"	waste or sub-economic mineralized material that is mined with the ore as an undesired consequence of mining
"drilling"	the use of a machine to create holes for exploration or for loading with explosives
"exploration"	an activity to prove the location, volume and quality of an orebody
"fault"	a planar fracture or discontinuity in the rocks along which displacement has occurred
"feed ore"	mined rock to be delivered to the processing plant
"flotation" or "floating"	a selection method for the recovery of minerals using reagents to create a froth that collects target minerals
"grade"	the relative amount of valuable elements or minerals contained in a parcel of ore material, usually expressed as a percentage or gram per ton
"granite intrusion"	a geological event that occurs when molten magma pushes up from deep within the earth's crust, and cools and solidifies underground before reaching the surface and the resulting rock formation is granite
"Indicated Mineral Resource(s)" or "Indicated Resource(s)"	part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated using geological evidence derived from adequately detailed and reliable exploration, sampling and testing with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit, which has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve

"Inferred Mineral Resource(s)" or "Inferred Resource(s)"	part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes, which has a lower level of confidence than that applying to an Indicated Mineral Resource and may not be converted to a Mineral Reserve, but with continued exploration the majority of inferred Mineral Resources is reasonably expected to be upgraded to Indicated Mineral Resources
"JORC Code"	Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC), December 2012
"leach"	the process of dissolving minerals or metals out of ore with chemicals
"life-of-mine" or "LOM"	the number of years that a mine is expected to continue operations based on the current mining plan
"Lower Palaeozoic"	a geological period consisting of three geological systems from bottom to top, including the Cambrian (approximately 539 to 485 million years ago), the Ordovician (approximately 485 to 444 million years ago) and the Silurian (approximately 444 to 419 million years ago)
"Measured Mineral Resource(s)" or "Measured Resource(s)"	part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated using geological evidence derived from detailed and reliable exploration, sampling and testing and with sufficient confidence to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit, which has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource, and may be converted to a Proven Mineral Reserve or a Probable Mineral Reserve

"melting point"	the temperature at which a substance changes state from solid to liquid
"mineral"	a natural, inorganic, homogeneous material that can be expressed by a chemical formula
"Mineral Resource(s)" or "Resource(s)"	a concentration or occurrence of solid material of economic interest in the earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction with location, quantity, grade or quality, continuity and other geological characteristics known, estimated or interpreted from specific geological evidence and knowledge, including sampling, which is further divided into the Inferred, Indicated and Measured categories in the order of increasing geological confidence
"Mineral Resource Estimate" or "Ore Resource Estimate"	an estimate of the ore tonnage and grade of a geological deposit using the block model that comprises Inferred, Indicated and Measured Mineral Resources
"Mineral Reserve(s)" or "Reserve(s)"	the economically mineable part derived from a Measured and/or Indicated Mineral Resource, including diluting materials and allowances for losses which might occur when the material is mined or extracted and is defined by studies at the appropriate pre-feasibility or feasibility level with application of Modifying Factors and providing reasonable justification for extraction
"mineralization"	the process where certain elements are accumulated in large quantities
"mining"	the extraction of useful minerals or other geological materials from the crust, orebody, vein or coal seam
"mining rights"	the rights to mine mineral resources and obtain mineral products in areas where mining activities are licensed
"NPV"	net present value
"open pit"	mining of a deposit from a pit open to the surface and usually carried out by stripping of overburden materials

"ore"	a naturally occurring solid material from which a metal or valuable mineral can be extracted economically
"orebody"	natural mineral accumulations which can be extracted for use under existing economic conditions and using existing extraction techniques
"ore processing" or "processing"	the process through which physical or chemical properties, such as density, surface reactivity, magnetism and color, are utilized to separate the useful components of ore from useless stones, and the useful components are then concentrated or purified by means of flotation, magnetic selection, electric selection, physical selection, chemical selection, reselection and combined methods
"ore sorting"	an ore preconcentration method to reject waste from crushed ore before feeding to the extraction plant so as to improve the feed grade
"overburden"	a mixture of weathered rocks and soils generated during the mining process, which is treated as a by-product
"pit shell"	the defined area where mining is to take place
"production"	the phase in mining operations that occurs after the exploration and development phases
"Probable Mineral Reserve(s)" or "Probable Reserve(s)"	the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource, which has a lower level of confidence than a Proven Mineral Reserve but is of sufficient quality to serve as the basis for decision on the development of deposit
"Proven Mineral Reserve(s)" or "Proven Reserve(s)"	the economically mineable part of a Measured Mineral Resource that implies a high degree of confidence in the Modifying Factors
"quartz"	a hard, crystalline mineral composed of silicon dioxide
"R&D"	research and development
"reagent"	a substance or compound added to a system to cause a chemical reaction

"reclamation"	the process of restoring land and the environment to their original state following mining activities, which commonly includes reshaping the land to its approximate original appearance, restoring topsoil and planting native grass and ground cover
"resource block model"	an estimation model using geostatistics and the geological data gathered through drilling of the prospective ore zone to determine the Ore Resources and Reserves of the mineralized orebody
"refining"	a metallurgical process of refining crude metal products to a pure end-product
"rougher"	a kind of machine or equipment used for the initial collection of target minerals in the processing operation
"run-of-mine" or "ROM"	the ore being mined prior to the processing
"scavenging"	the subsequent retreatment of the rougher tailings with higher reagent dosages and long flotation time to maximize recovery
"scheelite"	a calcium tungstate mineral with the chemical formula $CaWO_4$
"sediment(s)"	a naturally occurring material that is broken down by processes of weathering and erosion, and is subsequently transported by the action of wind, water or ice or by the force of gravity acting on the particles, such as boulders, pebbles, cobbles, sand, silt and clay
"smelting"	a pyrometallurgical process of separating metal by fusion from those impurities with which it is chemically combined or physically mixed
"specific gravity"	the ratio of a material's density with that of water
"stripping ratio"	the ratio between the volume of waste material required to be handled in order to extract ore
"syncline"	a fold of rocks with younger layers closer to the center of the structure
"tailings"	materials that are produced after the process of extracting target minerals from ore

"tensile strength"	the maximum stress that a material can bear before breaking when it is allowed to be stretched or pulled
"thickener"	a kind of machine or equipment used for dewatering process in mineral processing plants to concentrate thinner pulp into thicker pulp and separate liquids containing little or no solid matter
"tungsten"	a hard, brittle, corrosion-resistant and gray to white metallic element (chemical element symbol W) extracted from wolframite, scheelite and other minerals, which has a high melting point, high density, high tensile strength and good corrosion resistance
"tungsten carbide"	a chemical compound containing equal parts of tungsten and carbon with a chemical formula of WC and the most basic form of a fine gray powder
"tungsten trioxide"	an intermediary compound with a chemical formula of WO_3 that is produced in the process of converting tungstate to pure tungsten
"tungstite"	a hydrous tungsten oxide mineral with a chemical formula of $WO_3 \cdot H_2O$
"underground mining"	mining of a deposit through underground passageways made in the rock
"Upper Palaeozoic"	a geological period consisting of two geological systems from bottom to top, including the Carboniferous (approximately 359 to 299 million years ago) and the Permian (approximately 299 to 262 million years ago)
"vein"	sheet-like body of minerals formed by fracture filling or replacement of lost rock
"volcanic rock(s)"	rock(s) formed from lava erupted from a volcano
"waste"	the part of an ore deposit that is too low in grade to be of economic value at the time of mining, but may be stored separately for possible treatment later
"wolframite"	an iron, manganese and tungstate mineral with a chemical formula of $(Fe,Mn)WO_4$

ABBREVIATIONS

Units of Measure

cm	centimetres
g/m^3	gram per cubic metres
g/t	gram per ton
ha	hectares
k	thousand
kg	kilograms
km	kilometres
km^2	square kilometres
kt	thousand tonnes
kv	kilovolts
m	metres
m^2 or sq.m.	square metres
m^3	cubic metres
mm	millimetres
Mt	million tonnes
Mtpa	million tonnes per annum
MW	megawatts
t	tonnes
tpa	tonnes per annum
tpd	tonnes per day
µm	microns

This prospectus contains, and the documents incorporated by reference herein may contain, forward-looking statements representing our goals, belief, expectations or intentions for the future, and actual results or outcomes may differ materially from those expressed or implied. Such forward-looking statements are subject to certain risks, uncertainties and assumptions. Forward-looking statements typically can be identified by the use of words such as "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "ought to", "plan", "potential", "project", "seek", "should", "will", "would" and other similar terms. Even though these statements have been made by our Directors after due and careful consideration and on bases and assumptions fair and reasonable at the time, they nevertheless involve known and unknown risks, uncertainties and other factors which may cause our Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

These forward-looking statements include, but not limited to, statements relating to:

- our business and operating strategies and the various measures we use to implement such strategies;
- our dividend distribution plans;
- our planned use of proceeds;
- our operations, business and financial prospects, including development plans for our business and future cash flows;
- our capital commitment plans;
- our future debt levels and capital needs;
- the future developments and competitive environment of the industry and markets in which we operate;
- the regulatory environment as well as the general industry outlook for the industry which we operate in;
- relationships with parties we contract and collaborate with to conduct our business;
- risks identified under "Risk factors";
- general economic trends; and
- other statements in this prospectus that are not historical facts.

The words "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "forecast", "intend", "may", "ought to", "plan", "potential", "project", "seek", "should", "will", "would" and other similar expressions, as they relate to us (other than in relation to our profits, results of operations and earnings), are intended to identify a number of these forward-looking statements. Such statements reflect the current views of our management with respect to future events and are subject to certain risks, uncertainties and assumptions, including the risk factors described in this prospectus. Please see "Risk Factors," "Business" and "Financial Information" for more details.

Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove to be incorrect, our financial condition may be adversely affected and may vary materially from the goals we have expressed or implied in these forward-looking statements. Since we operate in an evolving environment where new risks and uncertainties may emerge from time to time, you should not rely upon forward-looking statements as predictions of future events.

Except as required by applicable laws and regulations, including the Listing Rules, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, investors should not place undue reliance on any forward-looking information.

In this prospectus, statements of or references to our intentions or those of our Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments.

An investment in our Shares involves various risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, before making an investment in our Shares. The following is a description of what we consider to be our material risks. Any of the following risks could materially and adversely affect our business, financial condition and results of operations. The market price of our Shares could significantly decrease due to any of these risks, and you may lose all or part of your investment.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in "Forward-Looking Statements" in this prospectus.

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to our business; (ii) risks relating to our industry; (iii) risks relating to conducting business in Kazakhstan and (iv) risks relating to the Global Offering.

RISKS RELATING TO OUR BUSINESS

We have a limited operating history with net losses during the Track Record Period, and our past performance may not serve as an adequate measure of our future prospects and results of operations.

We have a limited operating history. In 2015, we, through acquisition of Aral-Kegen LLP, our subsidiary, acquired 97% participatory interest in Subsidiary ZV. Subsidiary ZV became a party to the SSU Contract in March 2016 through execution of the addendum No. 1 to the SSU Contract.

During the Track Record Period, we primarily focused on preparing our Boguty Project for commercial production, and incurred a net loss of HK$94.5 million, HK$80.1 million, HK$176.5 million, HK$65.0 million and HK$7.0 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively. The fact that we only commenced commercial production in April 2025 with limited historical operating and financial information makes it difficult to evaluate our business and predict our future operating results and prospects. We believe that period-to-period comparisons of our results may not be meaningful and our past performance for any period should not be relied upon as an indication of our future performance. Moreover, our profitability is affected by a number of factors, including actual production and sales volume, cost of sales, tungsten market price, currency exchange rate and inflation, among others, all of which are subject to uncertainties. As a result, the tungsten ore at the Boguty deposit may not ultimately be extracted at a profit and we cannot guarantee that we will generate profit and grow our business as planned.

As compared to other competitors in the tungsten mining and production industry with a longer operating history, we may not have sufficient experience to address the risks frequently encountered by mining companies, including those related to:

- improving operating efficiency;
- maintaining profitability;
- acquiring and retaining customers;
- attracting and retaining our employees;
- managing and expanding operations;
- anticipating and adapting to any changes in laws and regulations or social, economic, or geo-political conditions in relation to the tungsten mining and production industry or otherwise relevant to our business; or
- maintaining adequate control over costs and expenses.

If we fail to address any of these risks and challenges, our business, financial condition and results of operations may be materially and adversely affected. Accordingly, you should evaluate our business and prospects in light of the risks, expenses and challenges that we will face as a company with limited operating history.

We may not generate revenue or grow our business as planned.

We only started to generate revenue in the six months ended June 30, 2025, and our future revenue will depend upon many factors such as the market demand for, and prices of, tungsten products, and our ability to achieve sufficient market acceptance. Investments in the development of tungsten mines such as ours are highly speculative. It entails substantial upfront capital expenditure and significant risks that a mine may fail to become commercially viable. As a result, you may lose all or part of your investment in us given the high risks involved in our business and associated with the mining industry.

We may not grow our business as planned and may never become profitable. Even if we achieve profitability in the future, we may not be able to maintain profitability in subsequent periods. Our failure to become or remain profitable would decrease the value of our Company and could impair our ability to raise capital, expand our business and/or continue our operations. Failure to become or remain profitable may adversely affect the market price of our Shares. A decline in the market price of our Shares could cause you to lose all or part of your investments in us.

We only have a limited track record in commercializing our tungsten products and we expect our product sales to focus on a limited number of customers in the early stage of our commercial production.

During the Track Record Period, we primarily focused on preparing the Boguty Project for commercial production, and since we only commenced commercial production in April 2025, we have a limited track record of commercializing our tungsten products. We intend to sell our tungsten products primarily to tungsten processors and end-users in the PRC in the near term. We cannot guarantee that we will succeed in establishing sufficient sales coverage and penetration in our target markets, which could adversely affect the commercial opportunities of our tungsten products.

During the six months ended June 30, 2025, our revenue was entirely derived from sales to one customer. See "Business—Sales and Marketing". We cannot assure you that we will be able to maintain or strengthen our relationship with our current customer. In addition, we expect our sales will initially be restricted to a limited number of customers in the early stage of our commercial production. If any of these customers fails to meet its contractual obligations, or encounter financial difficulty, reduces or even discontinues the purchase of our products for any reason, there can be no assurance that we would be able to identify and acquire new customers with similar demand on a timely basis, or at all. In addition, we cannot assure you that we will be able to successfully acquire additional customers and develop new customer relationships in the future. As a result, our business, financial condition and results of operations may be materially and adversely affected.

Our mining operations are currently concentrated at one mining site, the Boguty Project in Kazakhstan and our business operation depends on this single mining project.

As of the Latest Practicable Date, we had only one mining project, which is our Boguty Project in Kazakhstan, and we expect it to be our only mining project in the near term and our main, if not only, source of revenue and cash flows in the near future. Our success will depend heavily on this project, which is still under development and remains subject to various risks and uncertainties.

The Independent Technical Consultant has identified a number of risks and recommendations in estimating our tungsten Resources, Reserves and operations related to our Boguty Project, as set forth in "Appendix III—Independent Technical Report—Risk Assessment." The key risks identified by the Independent Technical Consultant included the following:

- lower ore grade than estimated in the resource model;
- high stripping ratio in the early stage;
- inadequate space for ore stockpile and insufficient quantity of production equipment;

- unable to achieve the designed performance of the ore sorting;
- negative impact of return water on tungsten recovery;
- damage to pipeline from Charyn River and reduction of available water in Charyn River;
- failure to meet the design intent for the tailings storage facility construction;
- lack of the tailings storage facility underdrainage in the design;
- reduction in the strength of embankment foundation soils;
- higher operating cost;
- lower commodity price;
- changes in the flow of Charyn River and/or the legal permitting regime of the National Park;
- insufficient understanding of surrounding land use types;
- lack of understanding of the biodiversity and potential climate changes in the project area;
- lack of understanding of mine waste geochemistry;
- incomplete closure plan and liabilities estimate;
- insufficient stakeholder engagement;
- non-renewal of operating and other key licenses;
- tungsten concentrate export restrictions imposed by the Kazakhstani Government; and
- transportation delay of tungsten concentrate from the mine to the Khorgos border crossing.

Although the Independent Technical Consultant has provided its recommendations to address the above risks, there is no assurance that we can implement such recommendations effectively to mitigate the relevant risks. In the event that the occurrence of any of the above events causes us to operate at a less-than-expected capacity, our business, financial condition and results of operations could be materially and adversely affected.

Furthermore, we expect to bring our Boguty Project into phase II commercial production in the first quarter of 2027, and to continue to incur substantial costs and operating expenses. If we do not achieve full production on schedule or generate revenue as we anticipate from production, our future losses may be greater than anticipated and we may not achieve profitability in the time frame we anticipate.

Our SSU Contract may be terminated by the relevant competent authority unilaterally, which would have a material and adverse effect on our business, financial condition and results of operations.

We hold mining rights at the Boguty tungsten mine in accordance with the terms and conditions as set forth in the SSU Contract, which provides that the competent authority may unilaterally terminate the SSU Contract if there are at least two breaches of the SSU Contract or associated project documents which have not been rectified by Subsidiary ZV within the time period as specified in the respective notifications of the competent authority.

Pursuant to the SSU Contract and the SSU Code, the competent authority may also terminate the SSU Contract unilaterally if there is a breach of the SSU Code's requirement (art. 278.18 of the SSU Code) to obtain prior permission for the transfer of the granted subsoil use right or the subsoil use associated object, resulting in a threat to the national security, which has not been rectified within one year after receipt of the notification.

During the Track Record Period and up to the Latest Practicable Date, we had breached certain terms of the SSU Contract, including the delay in commencing production at the Boguty tungsten mine pursuant to Addendum No. 3 of the SSU Contract and certain underperformance of financial obligations under the SSU Contract. See "Business—Legal Proceedings and Compliance" for details of such incidents.

According to our Kazakhstan Legal Advisors, in recent years, the MIC terminated a number of subsoil use contracts due to the failure of the relevant subsoil users to perform their respective obligations under the relevant subsoil use contracts. In particular, as advised by our Kazakhstan Legal Advisors, such termination is usually due to the relevant subsoil users' non-performance of their financial obligations under the relevant subsoil use contracts (*e.g.*, outstanding payments for the regional social economic development or training of local employees and breach of the local content requirements) and their failure to rectify such non-performance within the period of time as required by the relevant competent authority.

In the event that our SSU Contract were terminated by the relevant competent authority as a result of any breach of the SSU Contract in the future, we would lose our mining rights at the Boguty tungsten mine and our business, financial condition and results of operations would be materially and adversely affected.

We rely on contractors for constructions and future mining operation.

During the Track Record Period, we adopted the engineering, procurement and construction (EPC) model and engaged CCECC (including its local branch in Kazakhstan) as our EPC contractor for construction activities. CCECC was our largest supplier in the Track Record Period and our purchases from CCECC in the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 totaled HK$202.6 million, HK$727.1 million, HK$575.8 million and HK$69.7 million, respectively, representing 89.2%, 95.2%, 93.6% and 39.0% of our total purchases, respectively. Please refer to "Business—Our Suppliers and Contractors" for details of such arrangement. In addition, our mining operation is conducted by a local subsidiary of CCECC in Kazakhstan, who has been engaged through a public tender. While we closely monitor the work of our contractors, there is no assurance that we will be able to control the quality, safety and environmental protection standards of the work to be performed by our contractors to the same extent as the work performed by our own employees at all times. Any under-performance or non-performance of our contractors could lead to failure by the contractors to meet our quality, safety and environmental protection standards, which, in turn, may result in our liability to third parties and may have a material adverse effect on our business, financial condition and results of operations. Meanwhile, we may not be able to find replacement of the under-performing contractors on acceptable terms, or at all. Any failure to retain suitable contractors at reasonable cost or seek replacements of our existing contractors in a timely manner on favorable terms, or at all, may have a material adverse effect on our business, financial condition and results of operations.

The mining industry inherently has a high level of risks. Our operation may be disrupted and we may be unable to bring our Boguty Project into full-scale commercial production.

The mining industry in which we operate inherently has a high level of risk. It involves a number of risks and hazards, including industrial accidents, labor disputes, unusual or unexpected geological conditions, mine collapses, fires, explosions, equipment failure, delays in supplies and loss of key inputs, including electricity, water and coal, changes in the regulatory environment, environmental hazards, and weather and other natural phenomena such as landslides and earthquakes. Such occurrences could result in material damage to, or the destruction of, mineral properties or production facilities, human exposure to pollution, personal injury or death, environmental and natural resource damage, delays in mining, monetary losses and possible legal liability.

Should any of the foregoing inherent risks materialize, our operation may be disrupted and we may be unable to bring our Boguty Project into full-scale commercial production, our business and results of operations could be materially and adversely affected. For further information, please refer to "Business—Development Plan and Planned Production Schedule —Risks Associated with the Boguty Project."

Our operations are subject to risks relating to occupational hazards and production safety and other operating risks which are beyond our control.

Our operations are subject to a number of operating risks, some of which are beyond our control and cannot be completely eliminated through prevention efforts. These operating risks include (i) unexpected maintenance or technical problems; (ii) inclement or hazardous weather conditions and natural disasters such as landslides and earthquakes; (iii) industrial accidents; (iv) electricity or water supply interruptions; (v) critical equipment failures in our mining operations; (vi) the handling and storage of certain dangerous articles and the use of heavy machinery; and (vii) unusual or unexpected variations in the mine and geological or mining conditions. These risks may result in personal injury, death or property damage, which would disrupt or result in a suspension of our operations, increase production costs, result in liability to us and harm our reputation. Such incidents may also result in a breach of laws and regulations applicable to our operations, or any consent, approvals or authorizations obtained from the relevant authorities, which may result in fines and penalties or even possible revocation of our licenses and permits.

Our operations will also be subject to manufacturing, operating and handling risks associated with the products we will produce and the products we will use in our operations, including the related storage and transportation of raw materials, products, hazardous substances and wastes. We are exposed to hazards including discharges or releases of hazardous substances, exposure to dust and noise and waste water and the operations of mobile equipment and manufacturing machinery. These risks can subject us to potentially significant liabilities relating to personal injury or death or property damage, and may result in civil, administrative or criminal penalties, which could hurt our productivity, profitability and reputation.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any accidents, claims or proceedings in relation to occupational hazards and production safety. Any occurrence of such accidents, claims or proceedings in relation to the occupational hazards and production safety, any disruption to the operations of our Boguty Project or supporting infrastructure for a sustained period, or any change to the natural environment surrounding our Boguty Project, such as landslides, may materially adversely affect our business, financial condition and results of operations.

The tungsten Resources and Reserves data presented in this prospectus are estimates and may be inaccurate and our projected future production volumes, turnover and capital expenditures, which are based on these estimates, may differ materially from actual figures.

Our estimated tungsten Resources and Reserves are reported in accordance with the criteria of the JORC Code. For further details, please refer to "Appendix III—Independent Technical Report." The tungsten Resources and Reserves information set forth in this prospectus represents estimates only and is based on a number of assumptions that have been made by the Independent Technical Consultant. The estimates of tungsten Resources and

Reserves involve judgment based on various factors, such as knowledge, experience and industry practice. In addition, the accuracy of these estimates may be affected by many factors, including the exploration results, drilling and analysis of mineral samples, as well as the procedures adopted by and the experience of the person making the estimates.

In particular, Mineral Resource and Ore Reserve Estimates reported in accordance with the JORC Code can be subject to inaccuracies due to several reasons. Some of the factors that contribute to these inaccuracies include:

- Sampling and data limitations: Mineral Resource and Ore Reserve estimates rely on sampling data from a limited number of points within the deposit. The quality and representativeness of the samples, as well as the spacing and density of sampling, can introduce uncertainties into the estimates. Inadequate or insufficient data can result in inaccuracies in determining the size, grade and continuity of the mineral deposit.

- Geological complexity: Mineral deposits often exhibit geological complexity, including variations in mineralisation, structure, and alteration. Understanding and characterizing these complexities accurately is challenging, and inaccuracies can arise in interpreting the geological model. Variations in grade, continuity, thickness and distribution within the deposit can lead to discrepancies between estimated and actual Mineral Resources and Ore Reserves.

- Assay and laboratory errors: Assaying and laboratory testing are crucial for determining the grade and quality of mineral deposits. Errors in sampling, sample preparation, analysis and interpretation of assay results can introduce inaccuracies into the estimates. Contamination, improper sampling techniques, analytical instrument limitations and human error are potential sources of assay and laboratory errors.

- Assumptions and modeling uncertainties: Estimating mineral resources and ore reserves requires making various assumptions and employing statistical models. These assumptions and models involve inherent uncertainties and simplifications. Variations in the selection of estimation methods, parameters and cut-off grades can lead to differences in the estimated quantities and qualities of the mineral deposit.

- Changes in economic factors: Economic factors, such as commodity prices, exchange rates and operating costs, can impact the and cut-offs and economic viability of mining projects.

- Regulatory and environmental considerations: Regulatory requirements and environmental constraints can affect the estimation of Ore Reserve. Changes in regulations, permitting delays or unforeseen environmental limitations can impact the accuracy of estimates.

There are numerous uncertainties inherent in estimating quantities of tungsten Resources and Reserves, which may change and are beyond our control. In respect of these estimates, no assurance can be given that the anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realized or that mineral resources can be mined or processed profitably. Actual production may not conform to geological, metallurgical or other expectations, the volume and grade of minerals recovered may be below the estimated levels and the level of impurities may be above the estimated levels.

Estimates of the tungsten Resources and Reserves at the Boguty Project may change significantly when new information becomes available or new circumstances arise, such as new government regulations and requirements, unforeseen natural disasters and unusual or unexpected geological formations. Should we encounter mineralization different from that predicted by past drilling, sampling and similar examination, the estimates of our Resources and Reserves may have to be adjusted downward. Therefore, the inclusion of Resources and Reserves estimates should not be regarded as a representation that all these amounts can be economically exploited. If any such downward adjustment takes place, our production cost will increase if we were to maintain the same planned production volume. Therefore, our projected future production volume, turnover and capital expenditures may differ materially from actual figures. Any of these circumstances could materially and adversely affect our business, financial condition and results of operations.

We may not be able to obtain, maintain or renew permits, licenses or mining contracts or fully comply with their terms.

The permits, licenses, and the mining contracts obtained by us will expire from time to time. Our applications for extension or renewal are subject to a certain degree of government discretion, and there is no guarantee that we will be able to obtain any extension or renewal of the permits, licenses and the mining contracts in the future or, if so, what terms we will be able to obtain when they are up for renewal. Specifically, the renewal, extension or amendment of our mining contracts, *i.e.*, the SSU Contract, is subject to the approval of the relevant government authorities. If we fail to obtain such approval to renew, extend or amend the existing mining contracts or enter into new mining contracts, we may be unable to carry out the mining activities at our Boguty Project, which could materially and adversely affect our business, financial condition and results of operations.

It is also possible that, in any event of a material non-compliance with the terms of any of our permits, licenses and the mining contracts, such permits, licenses and the mining contracts may be forfeited. Although we believe that our exploration and development activities are currently carried out in accordance with all applicable rules and regulations in all material respects, no assurance can be given that new rules, laws and regulations will not be enacted, or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail the exploration, development or production of our Boguty Project or have an otherwise negative impact on our operations. Amendments to existing rules, laws and regulations governing our operations and activities of exploration and production, or more stringent enforcement, implementation or interpretation thereof, could have a material adverse impact on our business, financial condition and results of operations.

In addition, in the event that we identify prospective mine resources, either at our Boguty Project or any mines we may acquire in the future, there is no assurance that any licenses and permits can be successfully obtained or renewed. If we are unable to obtain any of such licenses and permits or extend or renew any of our current permits or licenses upon their expiration, our business, financial condition and results of operations could be materially and adversely affected.

We expect to derive revenue from tungsten products and the demand for which is subject to change. Market prices for tungsten products are cyclical and may fluctuate significantly, which are subject to factors beyond our control.

Historically, the market prices for tungsten products has exhibited volatility. A sustained period of significant tungsten products price volatility may adversely affect our ability to evaluate the feasibility of continuing existing operations or to make other long-term strategic decisions. We expect to derive our revenue primarily from the sale of tungsten ore concentrate in the near future. The demand for, and prices of, tungsten products have been and will continue to be affected by numerous factors beyond our control, including, among others, international and local economic and political conditions, government policies, development of industries using tungsten products directly or indirectly, levels of supply of tungsten products and alternative products, cost of production and technology development. The uncertainties of these factors may lead to significant fluctuation in demand for, and prices of, tungsten products and make it impossible for us to accurately predict future tungsten prices. If we experience insufficient demand for our products or declines in tungsten prices, our financial performance will be adversely affected and we may be forced to curtail or suspend some or all of our projects or operations, or reduce operational capital expenditures, and our business, financial condition, cash flows and results of operations may be materially and adversely affected.

Even in the event that the prices of major tungsten products, such as tungsten ore concentrate, show an upward trend, there is a risk that costumers will reduce their volume of consumption and/or seek alternative products or commodities as a substitute for tungsten. Any reduced demand or a shift to alternative products could materially and adversely affect our business, financial condition and results of operations.

Our success depends on the quality and characteristics of our tungsten products. If we fail to achieve or maintain broad market acceptance for our products, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to accurately estimate the quality and other characteristics of our tungsten products until we commence commercial production. The actual quality and other characteristics of tungsten mined may differ from those indicated by previous exploration and drilling results. As a result, we cannot assure you that the quality and other characteristics of the tungsten mined from our Boguty Project will be consistent with or similar to the estimation made based on the Independent Technical Report. Furthermore, if the actual quality and other characteristics of our tungsten products in the future are materially different from our estimates, we may not be able to perform our obligations under certain sales framework contracts that we have entered into with our customers and we may fail to achieve or maintain broad market acceptance for these products. As a result, we may have to re-position ourselves in the market and failure in doing so could materially and adversely affect our business, financial condition and results of operations.

We may face competition from other tungsten mining companies operating in a similar segment of the market and failure to compete effectively with our competitors may adversely affect our business, financial condition and results of operations.

We may face competition from other tungsten mining companies that produce tungsten products in Kazakhstan and other countries targeting similar sales markets as we do. Competition in our industry may intensify as our competitors expand their products, or as new competitors enter into the markets. Some of our competitors may have greater financial, marketing, distribution, resources level and product development capabilities than we do. As a result, these competitors may be able to devote more resources to the development, promotion and sale of their products. The primary factors driving competition are strong exploration and mining capacity with advanced mining methods and improved technical equipment, high-quality and stable product, new technology development, sufficient capital investment, professional management talents retention and obtaining exploration and extraction permits. Other factors that could affect competition in the tungsten marketplace include additional discoveries of tungsten reserves by our competitors, access and capacity to transportation, political and economic factors and other factors beyond our control. Increased competition could have a material adverse impact on prices at which we can sell tungsten products. We cannot assure you that our current or potential competitors will not offer products at more competitive prices or adapt more quickly than we do to evolving industry trends or changing market conditions. There can be no assurance that we will be able to compete effectively or maintain or improve our market position. Our failure to compete effectively could materially and adversely affect our business, financial condition, and results of operations.

Our development plan may be delayed or may not progress within budget or achieve commercial viability.

Our development plan for the Boguty Project may be delayed due to a number of factors, including:

- availability of capital;
- the effect of and any changes to laws and regulations of the mining industry by various government and governmental agencies;
- non-performance, negligence, misconduct or error by contractors and operators;
- unfavorable weather conditions;

- availability of infrastructure;
- increases in material or labor costs;
- catastrophic events such as fires, storms or explosions;
- the breakdown or failure of equipment or processes;
- construction, procurement and/or performance falling below expected levels of output or efficiency;
- changes in project scope;
- violation of permit requirements;
- restrictions on accessing project sites;
- subsurface conditions;
- decrease in demand for commodities or decrease in commodity prices or increase in supply for commodities; and
- interest rates fluctuations leading to increased cost of borrowings.

Because of the above factors, we may not be able to execute or develop our mine or facilities on time, on budget, or at all, and may be unable to process and commercialize the tungsten ore that we may produce.

Furthermore, while we have a schedule for developing our mine, including obtaining regulatory approvals and commencing and completing the construction of our tungsten production and processing facilities and relevant infrastructures, we cannot assure you that our expected timetable will be met without delays, or at all, which could have potentially adverse effects upon our budgets. Any delays may increase the costs for developing our mine and require additional capital, which could materially and adversely affect the commercial viability of our development plan.

We may not be able to obtain adequate financing for our business in the future.

The exploration, mining and processing of mineral resources is very capital intensive. To fund our current and future operation and capital expenditure requirements, we need sufficient internal sources of liquidity or access to financing from external sources. For the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our capital expenditures amounted to HK$317.7 million, HK$758.0 million, HK$447.1 million, HK$225.4 million and HK$21.5 million, respectively, which were incurred to fund payments for construction in progress, mining development assets, exploration and evaluation assets. We currently fund our capital expenditures mainly with bank borrowings, shareholder loans and internal funds. Our future liquidity, payment of other payables and repayment of our outstanding debt obligations as and when they become due will primarily depend on our ability to generate adequate cash inflows from our operating activities and adequate external financing. Given our historical net losses and limited funds, there can be no assurance that we will be able to generate sufficient cash flows from our operations in the future to fund our operations, or at all. We may have to seek additional financing through equity or debt financings, or may be forced to reduce or delay our capital expenditures, as a result of which we may be unable to implement our development plan as scheduled.

Our ability to generate cash from operating activities in the future may be affected by decreasing sales or downward movements in prices for tungsten products. Our ability to obtain external financing is subject to various factors with uncertainties, including (i) the condition of the global and domestic financial markets; (ii) investors' perception of the securities of companies engaged in mining activities; (iii) our future financial condition, operating results and cash flows; and (iv) changes in the PRC government policies with respect to bank interest rates as well as lending practices and conditions, and, after the Listing we may not be able to continue to obtain bank loans with parent guarantees which could increase the cost of our future borrowings. There is no assurance that we are able to obtain adequate external financing in a timely manner at reasonable cost or at all. Historically, our borrowings have primarily been short-term borrowings due within one year. There is no assurance that we can generate sufficient cash flows from our operations in the future to repay such borrowings. In addition, we cannot assure you that we can secure extension for new financing upon maturity of such short-term borrowings.

If we are unable to obtain external financing on acceptable terms, or at all, or if there is any delay in obtaining external financing and completing our development plan, or there are cost overruns or changes in market circumstances, we may not derive the expected economic benefits from the commercialization of our tungsten products, and our business, financial condition and results of operations may be materially and adversely affected.

We relied on bank loan to fund the construction of our Boguty Project since 2020 and incurred significant interest expenses during the Track Record Period.

We entered into a facility agreement with a commercial bank in September 2020 to obtain an unsecured bank loan facility up to EUR188.0 million to fund the construction of our Boguty Project. In connection with such bank loan, we incurred interest expenses of approximately HK$29.2 million, HK$40.2 million, HK$86.7 million, HK$37.8 million and HK$35.0 million for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively.

In the event that we default in the repayment of the bank loan or breach any of its covenants, the lending bank may accelerate the repayment of the loan and/or terminate the loan agreement, and our business, financial condition and results of operations may be materially and adversely affected. If our relationship with the lending bank deteriorates materially or terminates, we may not be able to obtain similar bank loans on acceptable terms, or at all. We may have to seek additional financing, or may be unable to implement our development plan as scheduled. For further information, please refer to "Financial Information—Indebtedness."

We face risks related to heightened regulatory and public scrutiny on our third-party service providers. If such parties, their associates and/or network members are subject to regulatory or public scrutiny, such as investigations and negative publicity, our reputation, business and results of operations may be adversely affected.

We engage third-party service providers for certain professional services, such as audit, legal, tax, and consultancy services. Our third-party service providers, their associates and/or network firms may, from time to time, be subject to heightened regulatory and public scrutiny, which includes investigations by regulatory agencies, complaints to regulatory agencies, negative media coverage and malicious allegations. If any of our third-party service providers or their associates and/or network members is subject to regulatory penalties, sanctions or suspension or is found in violation of any applicable rules and regulations, their ability to provide services to us could be adversely affected, which, in turn, may adversely affect our reputation, business operations, financial reporting and/or legal and tax compliance, cause us to incur additional service costs, and subject us to public scrutiny.

Our business depends on reliable and adequate transportation capacity for our products. Fluctuations in transportation costs and disruptions to our transportation could disrupt our deliveries and adversely affect our business, financial condition and results of operations.

We anticipate that most of the potential customers in the near future for our products will be from the PRC. We plan to use road transportation systems to transport our products from Kazakhstan to our potential customers in the PRC or other regions. The Boguty Project is located 180 km east of Almaty and 160 km to the west of the Khorgos crossing connecting China, and it can be accessed from both Almaty and the Khorgos crossing via the A2 highway. We transport our products to customers mainly through the existing highways and paved roads. We have also used road transportation for raw materials purchased locally. As of the Latest Practicable Date, we had not experienced any road transportation disruptions that had a material adverse effect on our business, financial condition and results of operations. However, we cannot assure you that adequate road transport capacity will always be available to support our operations in the future, or that we will not experience any material delays in transporting our products to our potential customers.

Transportation costs are expected to be one of the major components of the costs of purchase for our potential customers. Fluctuations in transportation costs may have an adverse effect on the demand for our products. Transportation may be disrupted by a number of factors, such as traffic accidents, border control, natural disasters and severe weather conditions. If access to and from our deposit or processing plant are significantly damaged, cut off, suspended for repair or maintenance for an extended period of time, the delivery of our products would be significantly affected, and we may breach our sales contracts and lose our potential customers in the future. Any difficulties experienced by our potential customers in transporting our products may reduce demand for our products and cause them to select suppliers closer to their operations and who are able to supply products with quality considerably similar to ours or to demand significant lower prices for our products. Any such adverse development could have a material adverse effect on our business, financial condition and results of operations.

We rely on our experienced management and skilled staff and our business may be severely disrupted in the event that we lose their services.

Our business operation depends upon the continued services of our experienced management team and skilled staff. The industry experience, expertise and contributions of our management team are essential to our continued success. We rely on their expertise in the mining industry to develop our business strategies and to manage our business operations and growth. We also rely on the technical know-how of our management team for our operations, including mining methods and process management throughout the exploration, development and production phases. The unexpected loss or departure of any of our management could adversely affect our business, our financial conditions and results of operations. Moreover, should we need to attract new talent, we may have to incur additional expenses to recruit, train and retain such personnel, which could materially and adversely affect our business, financial condition and results of operations.

Our operation and future growth depend on our ability to recruit and retain suitable staff. Our operation requires experienced employees with particular areas of expertise. The number of persons skilled in the exploration and development of mines may be limited. We cannot assure you that employees with the necessary expertise will be available. There may be other mining exploration projects in Kazakhstan that are planned for completion on timetables similar to those of ours. In these circumstances, we may need to offer better compensation and other benefits in order to attract and retain key personnel, which may materially increase our expenses and affect our profitability.

Our operation depends on the availability of skilled labor at competitive labor costs.

Our operation depends on the availability of personnel with relevant experience in mine production, which may be difficult to find locally. We face significant competition from other mining companies in and outside Kazakhstan for skilled labor. Shortage of labor, inefficient labor management or any labor disputes such as work stoppage and labor strike may result in disruption of our business operations, which may in turn have a material adverse effect on our business, financial condition and results of operations. In addition, labor costs in Kazakhstan have been increasing in recent years. Ongoing competition for skilled labor and our obligations in Kazakhstan to hire local employees could result in additional increases in labor costs. If labor costs in Kazakhstan continue to increase, our operating costs will increase which may in turn affect the selling prices and/or profit margin of our products in the future. We may not be able to pass on these increased costs to consumers by increasing the selling prices of our products in light of competition in the markets where we operate. In such circumstances, our future profit margin may decrease.

In addition, our future expansion will require us to maintain and grow our workforce of qualified and skilled workers and efficiently allocate our resources. In order to better allocate our resources to manage our expansion, we need to hire, recruit and manage our workforce effectively and implement adequate internal control measures in a timely manner. In the event that we fail to effectively manage our workforce, we may encounter, among other things, delays in production and operational difficulties, which could have a material adverse effect on our business, financial condition and results of operations.

Our insurance coverage may not be sufficient.

We face various operational risks in connection with our businesses. See "—Our operations are subject to risks relating to occupational hazards and production safety and other operating risks which are beyond our control." We may not have adequate or any insurance coverage on the abovementioned operational risks. During the Track Record Period and up to the Latest Practicable Date, we maintained various insurance policies for our operations, including (i) individual health insurance for our employees, (ii) commercial insurance covering the risks of riots, wars and expropriation, and (iii) insurance for our vehicles. As of the Latest Practicable Date, we also maintained employee accident insurance for our employees in accordance with applicable laws and regulations of Kazakhstan. Although our Kazakhstan Legal Advisors have advised that we have obtained mandatory insurance in accordance with Kazakhstan laws and regulations, and we believe that we have maintained insurance in line with customary industry practice, such insurance have limitations on liability and there can be no assurance that our insurance coverage would be sufficient to cover the full extent of such liabilities and risks. In the event that we incur substantial losses or liabilities but we are not insured against such losses or liabilities, or that our insurance is unavailable or inadequate to cover such losses or liabilities, our business, financial condition and results of operations could be materially and adversely affected.

If we become subject to litigation, legal or contractual disputes, governmental investigations or administrative proceedings, our management's attention may be diverted and we may incur substantial costs and liabilities.

From time to time, we may be involved in claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, environmental matters, breach of contract and employment or labor disputes. During the Track Record Period, we received three notification letters from the relevant competent authority alleging (i) a past due amount of KZT69,888,299 (approximately HK$1,214,182) for 2021 in connection with regional social development under the SSU Contract, (ii) our failure to spend funds on training of Kazakhstan employees as required by the SSU Contract for 2022 in the amount of KZT40,359,000 (approximately HK$701,164), and (iii) our failure to meet certain financial obligations (i.e., financing of scientific research, scientific and technical, and/or experimental design work provided by Kazakhstani producers of goods, works and services, and/or projects by participants of the "Park of Innovative Technologies" innovation cluster) as required by the SSU Contract for 2023 in the amount of KZT95,028,000 (approximately HK$1,650,938).

In addition, Subsidiary ZV held a public hearing in October 2018 in connection with changes to the mining works plan on the reserves calculation using new data on exploration, technology and economics, and a total of three lawsuits were filed against us in connection with such public hearing. See "Business—Legal Proceedings and Compliance—Environmental Issue Lawsuits in Connection with Our Public Hearings" for details of these incidents. If we hold any public hearing in the future, we cannot rule out the possibility that affected stakeholders, including those claimants who had made claims previously, may make new claims or lawsuits against us based on the issues involved in such new public hearings. We are unable to predict our potential maximum exposures arising from such new lawsuits in the future, which may have a material and adverse effect on our reputation and our business, financial condition or results of operations.

Ongoing or threatened litigation, legal or contractual disputes, investigations or administrative proceedings may divert our management's attention and consume their time and our other resources. In addition, any similar claims, disputes or legal proceedings involving us or our employees may result in damages or liabilities, as well as legal and other costs and may cause a distraction to our management. Furthermore, any litigation, legal or contractual disputes, investigations or administrative proceedings, which are initially not of material importance may escalate and become important to us, due to a variety of factors, such as the facts and circumstances of the cases, the likelihood of loss, the monetary amount at stake and the parties involved. If any verdict or award is rendered against us or if we settle with any third parties, we could be required to pay significant monetary damages, assume other liabilities and even to suspend or terminate the related business projects. In addition, negative publicity arising from litigation, legal or contractual disputes, investigations or administrative proceedings may damage our reputation and adversely affect the image of our brands and products. Consequently, our business, financial condition and results of operations may be materially and adversely affected.

We may incur impairment losses related to our mining rights and related assets, which may adversely affect our results of operations.

Based on our accounting policy, our subsurface use rights are amortized using the production method, based on Proven and Probable Reserves, from the time of the beginning of tungsten ore mining. The process of Reserve estimate is inherently uncertain and complex and requires significant judgments and decisions based on available geological, engineering and economic data. If the value of our mining rights is over-estimated, the over-estimated amounts will be recognized as impairment losses, which in turn may have a material adverse effect on our result of operations. The carrying amount of the property, plant and equipment, including exploration and evaluation assets, is tested by us for impairment whenever facts and circumstances indicate assets' impairment in accordance with our accounting policy. Any material decrease of our Reserve may result in impairment on the carrying value of our mining rights and related assets, and this may have a material adverse effect on our business, financial condition and results of operations.

Our businesses are vulnerable to downturns in the general economy.

The global macroeconomic environment is facing numerous challenges. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world's leading economies. There have also been concerns over unrest in countries including the Middle East and Ukraine, which have resulted in volatility in commodity prices and other markets. Unfavorable financial or economic conditions may adversely affect the demand for tungsten products. Furthermore, concerns over inflation, energy costs, geopolitical issues, the availability and cost of credit, unemployment, consumer confidence, asset values, capital market volatility and liquidity issues may create difficult operating conditions in the future. Additionally, the recent political tensions between the U.S. and China, and any future economic conflicts escalated therefrom, may materially and adversely affect our industry and end markets, as well as the global economic conditions in general. In addition, the PRC government has from time to time adjusted China's monetary, fiscal and other policies and measures to manage the rate of growth of the economy or control the overheating of the general economy or certain industries or markets.

As a result, the general economy of Kazakhstan, China and the world or any particular industry in which we operate or which we serve may grow at a lower-than expected rate or even experience a downturn, which could materially and adversely affect our business, financial condition and results of operations.

We may be subject to various PRC laws and regulations applicable to our business in China, and failure to comply with these laws and regulations could have a material and adverse effect on our business and operations.

We currently have one PRC subsidiary and may further expand our operation in China. We also plan to sell our tungsten products into China after the commercial production commences. Accordingly, our business, financial condition, results of operations and prospects may be influenced to a degree by political, economic and social conditions in China generally and by continued economic growth in China as a whole.

If we sell our tungsten products into China, we may be subject to various laws and regulations of China and may be required to obtain and comply with the requirements of various permits, licenses, certificates, consents and other approvals issued by relevant competent authorities. Each approval is dependent on the satisfaction of certain conditions and failure to obtain such governmental approvals could have a material and adverse effect on our business, financial condition and results of operations. We may also be subject to inspections, examinations, inquiries and audits by relevant competent authorities in the process of obtaining or renewing our permits, licenses or certificates. There can be no assurance that we will be able to fulfill the pre-conditions necessary to obtain the required governmental approvals or that we will be able to adapt to new laws, regulations or policies that may come into effect from time to time with respect to our operations.

Additionally, there can be no assurance that the relevant government agencies will not change existing laws or regulations or impose additional or more stringent laws or regulations. We may be required to make significant expenditures or modify our business practices to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business.

Our growth prospects depend upon our ability to successfully develop economically attractive tungsten Reserves and Resources at competitive costs.

Maintaining effective cost control is key to our future success. The profitability from exploiting our tungsten Reserves and Resources could be affected by many factors, including energy and raw materials costs, labor costs and equipment and machinery costs, which are beyond our control. It is difficult to project the costs of developing tungsten Reserves and Resources due to inherent uncertainties of mining. Our estimates of costs have also been based on our current operating conditions for our mines. Actual costs may differ materially from such estimates. Moreover, it is possible that other developments, such as increasingly strict environmental and safety laws and regulations and enforcement policies could result in substantial additional costs and liabilities. If there are cost overruns in developing our tungsten Reserves and Resources, we may not derive the expected economic benefits from our development plan, which could materially and adversely affect our business, financial condition and results of operations.

Our ownership over the tungsten extracted pursuant to the mining contracts is subject to the Kazakhstani Government's requisition right to purchase tungsten.

In accordance with the Article 15 of the SSU Code, we have ownership over the tungsten extracted at our mines. The SSU Contract entitles the Kazakhstani Government to requisition all or a portion of the tungsten produced by us in a state of emergency or martial law. In these circumstances, the Kazakhstani Government shall reimburse for the requisitioned tungsten based on an evaluation performed in accordance with the Kazakhstan legislation, which could materially and adversely affect our business, financial condition and results of operations.

Equipment for exploration and development activities may not be available when needed.

Tungsten exploration and development activities are dependent on the availability of related equipment and machinery (typically purchased from third parties) in the areas where such activities will be conducted. If demand for any equipment and machinery exceeds the supply at any given time, or if any equipment and machinery is not available to us at an economical cost or in the event of the breakdown of any equipment and machinery, our exploration and development activities could be delayed. We cannot assure you that sufficient replacement equipment and machinery as needed by us will be available. Shortages of equipment and machinery could delay and/or increase the cost of our proposed exploration, development and future sales activities, and could have a material adverse effect on our business, financial position and results of our operations.

Power shortages or a substantial increase in energy costs or limited supply of water could have an adverse impact on our operations.

We have and will continue to consume a substantial amount of electricity and require adequate water supply for our operations. During the Track Record Period and up to the Latest Practicable Date, we had not experienced any major shortage or disruption in our electricity or water supply. There can be no assurance, however, that adequate supply of electricity or water will be available to us in the future. We expect our demand for electricity or water to increase as we commence production and our business grows. If restrictions are imposed on the use of electricity due to power shortages, thereby disrupting our power supply, or if there is inadequate water supply or we are otherwise unable to obtain adequate supply to meet our production requirements, our operations may be disrupted, and our production and delivery schedules may be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations. In addition, our ability to pass increased costs along to our customers may be limited due to pressures from competition and customer resistance. We cannot assure you that we will be able to recover the substantial cost increases in electricity or water, if any, by raising the prices of our products.

We had net liabilities and net current liabilities position during the Track Record Period, which may adversely affect our liquidity.

We recorded net liabilities of HK$13.1 million as of December 31, 2024 and HK$29.9 million as of June 30, 2025, and net current liabilities of HK$117.2 million, HK$268.9 million and HK$442.9 million as of December 31, 2022 and 2024 and June 30, 2025, respectively, primarily attributable to the losses incurred because our Boguty Project was still at the development and construction stage for most of the time during the Track Record Period and the cumulative foreign exchange losses arising from the appreciation of Euro during the Track Record Period, as our major Bank Loan is denominated in Euro. For details, see "Financial Information—Discussion of Selected Items From the Consolidated Statements of Financial Position" in the prospectus.

The phase I commercial production of the Boguty Project commenced in April 2025. We cannot guarantee that our financial position will improve as our production and sale ramp up, or that we will not incur net liabilities in the future. If our financial position is not improved as planned, or if we are to record net liabilities again, it can materially and adversely affect our liquidity as well as our ability to raise funds, obtain bank loans, pay debts when they become due and declare and pay dividends. This, in turn, may materially and adversely impact our results of operations, financial conditions and business strategies.

If we fail to manage our liquidity situation carefully, our ability to expand and, in turn, our results of operation may be materially and adversely affected.

As of December 31, 2022, December 31, 2024 and June 30, 2025, we had net current liabilities of HK$117.2 million and HK$268.9 million and HK$442.9 million, respectively. Our net current liabilities positions were primarily due to the significant development and construction costs we incurred in relation to the Boguty Project, and certain portion of our borrowings was maturing in short term. For details of our net current liabilities, see "Financial Information—Liquidity and Capital Resources—Net Current (Liabilities)/Assets." A net current liabilities position may impair our ability to satisfy necessary capital expenditures, develop business opportunities or expand business scale. We cannot assure you that we will be able to improve our liquidity and achieve a net current asset position in the future, especially before we commence commercial production.

In the future, we expect to increasingly rely on cash flows from operations to fund our capital expenditure needs. There can be no assurance that our business will generate sufficient cash flows from operations in the future to serve any future debts and satisfy necessary capital expenditures. If we are unable to generate sufficient cash flow, we may be required to seek additional financing, dispose of certain assets or seek to refinance some or all of our future debts. If we are unable to repay any of our future debts when they fall due, our creditors may take action to recover such debts, which may have a material adverse effect on our business, financial condition and results of operations.

We recorded net operating cash outflows in the past.

We recorded net operating cash outflows of HK$47.5 million, HK$62.7 million and HK$63.2 million for the years ended December 31, 2022, 2023 and 2024, respectively. In the six months ended June 30, 2025, we generated cash inflow from operating activities of HK$15.6 million. However, we cannot assure you that we will be able to generate operating cash inflows going forward. Please see "Financial Information —Liquidity and Capital Resources—Cash Flows" for details.

Negative operating cash flows would expose us to liquidity risk and adversely affect our ability to make necessary capital expenditures, settle other payables or develop business opportunities. There can be no assurance that we will be able to generate sufficient positive operating cash flows to cover necessary capital expenditures, in which case we may have to seek additional financing. There is no assurance that external financing would be available on terms favorable or commercially reasonable to us, or at all. The failure to generate positive operating cash flows or to secure sufficient external financing on a timely basis, on acceptable terms or at all, could materially and adversely affect our business, financial condition and results of operations.

Our actual operating costs may deviate from our estimation.

According to the Independent Technical Report, our total operating cash costs for the Boguty Project are expected to be RMB463.2 million in 2025, and are expected to increase to RMB562.7 million in 2027 when our Boguty Project reaches its target annual mining and processing capacity of 4.95 Mtpa. However, such forecast operating costs are estimation only and are subject to certain key assumptions including the SSU Contract, contracts with or quotations from consumable providers, contracts with employees, the current government contract for water price, and research on current and projected fuel and electricity prices. The operating costs may escalate in the future, particularly during production commencement and expansion, which may cause the actual operating cost to deviate from our estimation. Please see "Financial Information—Forecast Operating Costs" for more details.

If accidents occur at our mines or other mines in Kazakhstan, our operations could be materially and adversely affected.

Accidents may occur from time to time under certain circumstances including mishandling of equipment and machinery, mishandling of dangerous articles, discharge and release of hazardous substances and wastes, inclement and severe weather conditions and natural disasters. There is no assurance that such accidents which may materially disrupt our operation, result in property damage, severe personal injuries or even fatalities will not occur during the course of our operations in the future. Should any accident occur as a result of any of the foregoing events, our business, reputation, financial condition and results of operations may be adversely affected, and we may be subject to penalties, civil liabilities or criminal liabilities.

Our existing mining operations have a finite life and eventual closure of our operations will entail costs and risks regarding on-going monitoring, rehabilitation and compliance with environmental standards.

Our existing mining operations have a finite life. According to the Independent Technical Report, the estimated mine life of our Boguty Project is approximately 15 years. We also need to perform certain procedures to remedy and rehabilitate the environmental and social impact our mining operations have had on local communities. Remediation, rehabilitation, closure and removal of our facilities will incur various costs and are subject to various risks. The key costs and risks for mine closures are: (i) long-term management of permanent engineered structures, ensuring they are physically and chemically stable and non-polluting post-closure; (ii) achievement of environmental closure standards (such as rehabilitation requirements) and sustainable post-closure land use; (iii) orderly retrenchment of employees and contractors; and (iv) relinquishment of the sites with associated permanent structures and community development infrastructure and programs to new owners. The successful completion of these tasks is dependent on our ability to successfully implement negotiated agreements with the relevant government, community and employees. There is no assurance that such closure of mines will be successful and without delays or additional costs. There is no assurance that we will have sufficient financial, management and human resources to implement closure and land reclamation plan in the future. The remediation, rehabilitation and closure may not be implemented as planned. In the event that we experience a difficult closure, the consequences of which would range from increased closure costs, handover delays and conflicts with local communities in relation to ongoing monitoring and environmental rehabilitation costs and damage to our reputation if desired outcomes cannot be achieved. Furthermore, we may be subject to a variety of penalties, suspension of activity and ceasing of operations if we fail to maintain compliance with applicable rehabilitation and closure obligations. As a result, our business, financial condition and results of operations could be materially and adversely affected.

The occurrence of natural disasters and prolonged periods of severe weather conditions could have a material adverse effect on our operations.

Our development and mining operations are conducted outdoors. Our Boguty Project are located in areas that experience severe weather conditions throughout the year, particularly in winter, and extreme variability in winter and summer weathers. As a result, unfavorable weather conditions could affect our operations and business. Inclement weather conditions, including frosts, strong winds, dust storms, hail, drought, dry winds and snowstorms may cause us to reduce operational activities, evacuate personnel, reduce mining activities or impede transportation. Adverse weather conditions may also increase our costs and reduce our production output as a result of potential equipment and facility repair and maintenance, power outages, personnel evacuation and similar events. Any resulting damage to our Boguty Project or delays in our operation due to adverse weather conditions could materially and adversely affect our business, financial condition and results of operations.

Natural disasters, such as earthquakes, may also severely disrupt our business and operations and could result in loss of lives, injury and destruction of assets. We did not incur any expenses or suffer any losses during the Track Record Period and up to the Latest Practicable Date as a result of any earthquake or any other natural disasters occurred in Kazakhstan that had a material adverse effect upon our business, financial condition and results of operations. However, we cannot assure you that such natural disasters will not, among other things, damage our facilities and the surrounding infrastructure, block the access to our Boguty Project and result in a suspension of our operations for an unpredictable period of time in the future.

Fluctuations in foreign currencies may adversely affect our business, financial condition and results of operations.

The prices of our tungsten products from our Boguty Project are expected to be mainly quoted in RMB. However, as our Boguty Project and our suppliers for development and production are expected to be located in Kazakhstan, a significant portion of our costs shall be incurred in Tenge. We commenced commercial production in April 2025 and we expect to sell our tungsten products primarily to the customers in the PRC, who shall pay us in RMB, in the near term. If the Tenge were to strengthen against the RMB, we may need to adjust and increase sales of our products to the customers outside the PRC who will typically settle payments in U.S. dollars to mitigate the impact of the depreciation of RMB, which could have a material adverse effect on our business, financial condition and results of operations. In addition, as we have borrowed an Euro-denominated bank loan to fund the construction of our Boguty Project, we are exposed to exchange losses due to the fluctuations in exchange rates of EUR.

The results of our operating subsidiaries are reported in the relevant functional currencies, such as RMB and Tenge, while our Group's consolidated results are reported in HK dollars. The results of our Group's operations are translated into HK dollars at the applicable currency exchange rate for inclusion in our Group's consolidated historical financial information. The exchange rates between these functional currencies and the HK dollars have historically fluctuated, and the translation effect of such fluctuations may have a material adverse effect on both our Group members' individual and our Group's consolidated results of operations or financial condition.

We recorded net foreign exchange losses under our net other losses of HK\$32.5 million, HK\$9.6 million, HK\$84.8 million, HK\$30.5 million and HK\$25.2 million in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively; we also recorded net foreign exchange losses related to borrowing under our net finance costs of HK\$0.6 million, HK\$9.2 million, HK\$107.8 million, nil and HK\$93.1 million in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, due to fluctuation in foreign exchange rates. For more details, please refer to "Financial Information" and Accountant's Report as set out in Appendix I to this prospectus.

There are limited hedging instruments available to reduce our exposure to exchange rate fluctuations. The cost of such hedging instruments may fluctuate significantly over time and can outweigh the potential benefit from the reduced currency volatility. During the Track Record Period, we did not enter into foreign exchange transactions such as long-term or short-term forward and swap contracts to manage our foreign currency risks. However, even if we enter into such contracts in the future, the effectiveness of these hedges may be limited, and we may not be able to successfully hedge our exposure, or at all.

Any failure to maintain an effective quality control system for our construction, production and other operational activities could have a material adverse effect on our business, financial condition and results of operations.

As the quality of our products is critical to the success of our businesses, we must maintain an effective quality control system for our construction, production and other operational activities. The effectiveness of our quality control system depends significantly on a number of factors, including the design of the system and the related training programs, as well as our ability to ensure that our employees adhere to our quality control policies and guidelines.

Any failure or deterioration of our quality control systems could result in defects in our projects or products, which in turn may subject us to contractual, product liability and other claims. Any such claims, regardless of whether they are ultimately successful, could cause us to incur significant costs, harm our business reputation and result in significant disruption to our operations. Furthermore, if any such claims were ultimately successful, we could be required to pay substantial monetary damages or penalties, which could have a material adverse effect on our business, financial condition, results of operations and reputation.

Our business and results of operations may be adversely affected by the ongoing military conflicts around the world.

Tungsten is a critical metal used in various high-tech and defense applications, making it a strategic resource for many countries, and it is crucial in manufacturing items such as missiles, armor-piercing ammunition and electronics. Any disruption in the global tungsten supply chain, whether due to conflict-related export restrictions, transportation disruptions or supply chain bottlenecks, could lead to tungsten price volatility or even sanctions in the tungsten trading market. This volatility could impact the profitability and stability of our operations. In February 2022, Russia declared the commencement of special military operation in the territory of Ukraine and Russian military forces deployed into Ukraine, which has already caused and will continue to cause disruption in the international supply chain, trade, logistics and, particularly, exchange rate market, leading to increasing volatility of tungsten prices in the short term. Since October 2023, an armed conflict between Israel and Hamas-led Palestinian militant groups has been taking place chiefly in and around the Gaza Strip, which has led to and may continue to cause further disruption in the international supply chain, trade, logistics and war-related materials, causing further volatility of tungsten prices in the short term.

Due to the ongoing geopolitical uncertainty around the world, in particular regarding the length of the conflicts and future actions that may be taken by the governments, there may be continuous impact on the volatility of tungsten prices and our selling prices may be materially impacted. In the event that tungsten prices decline sharply, our business, financial condition and results of operations will be adversely and materially affected.

Additionally, heightened geopolitical tensions may create an uncertain business environment, affecting investor confidence and regulatory stability. We may face increased security risks or regulatory changes, impacting our ability to operate efficiently and safely. Furthermore, we may experience delays or interruptions in importing necessary equipment or exporting tungsten products to the international markets. Increased security measures, border closures or trade restrictions imposed by affected countries could hinder our ability to conduct business smoothly. Moreover, uncertainty surrounding trade relations and economic stability in conflict-affected regions may deter international investors or partners, further complicating our trade activities. In any of these events, our business, financial condition and results of operations may be adversely and materially affected.

Our business could be impacted by political and economic sanctions, as well as geopolitics and export control measures.

Our operations may be negatively affected by any deterioration in the political and economic relations among countries and sanctions and export controls administered by the relevant government authorities. For example, the United States and other jurisdictions or organizations, including the European Union and the United Nations, have, through executive orders, passing of legislations or other governmental means, implemented measures to impose economic sanctions against certain countries or regions or against targeted industry sectors, groups of companies or persons, and organizations within such countries or regions. Such laws and regulations may be subject to frequent changes, and their interpretation and enforcement involve substantial uncertainties, which may be heightened by national security.

We cannot assure you that we or our potential suppliers and customers will not be subject to such restrictions in the future. Any potential restrictions imposed on us or our potential suppliers and customers, as well as any associated inquiries or investigations or any other government actions, may cause disruptions to our product offerings and business operations, result in negative publicity, require significant management time and attention and subject us to fines, penalties or orders. Any of the foregoing events may have a material and adverse effect on our business, financial condition and results of operations.

You may experience difficulties in effecting service of legal process, enforcing judgments or bringing original actions in the jurisdictions where we operate based on foreign laws against us and our management.

The recognition and enforcement of judicial decisions and arbitral awards across different jurisdictions usually involve certain difficulties. If there is a treaty or agreement on mutual legal assistance signed between countries or regions belonging to different jurisdictions, it is necessary to carry out the required processes and procedures for the recognition and enforcement of a foreign legal instrument in accordance with the relevant treaty or agreement, and the recognition and enforcement of the foreign legal instrument can only be carried out upon the approval of the local relevant competent authority. Such process may be complicated and time-consuming with a possibility of non-recognition or non-enforcement. If there is no such treaty or agreement, the application for the recognition and enforcement of a foreign legal instrument can usually only be made through the principle of reciprocity, which may be even more difficult or impossible.

Our operations could be materially and adversely affected by new potential strains of the COVID-19 virus or other public health emergency.

The COVID-19 pandemic has resulted in a negative impact on the global economy since 2019. In response to the COVID-19 pandemic, governments across the world imposed travel restrictions and/or lockdown to contain its transmission. While most of the mandatory lockdowns, closure of workplaces and restrictions on mobility and travel in response to the COVID-19 pandemic were lifted around the world in 2022, there is still uncertainty as to the future impact of the virus.

Due to the travel and cross-border transportation restrictions imposed in the jurisdictions where we operate, we experienced certain delays in the construction of our Boguty Project during the Track Record Period and did not commence mining operations by 2022 in accordance with addendum No. 3 to the SSU Contract. Please refer to "Business—Legal Proceedings and Compliance—Delays in Commencing Mining Operations" for details of this incident. We cannot assure you that the COVID-19 outbreak will not result in any further material disruption to our business to the extent that the pandemic continues and/or new variants of COVID-19 evolve to be more transmissible and virulent than the existing strains. The impact of the COVID-19 outbreak on the local, national and global economies and on the industries in which we and our major target customers operate could materially and adversely affect our business operations, financial condition and results of operations. Any adverse effects on our target major customers could impact their demand for our products or their ability to settle our outstanding trade receivables. As a result, we cannot assure you that the resurgence of the COVID-19 pandemic will not have a material and adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO OUR INDUSTRY

We are affected by alternatives to and changing demand for tungsten products.

Even if we commence production, there is no guarantee that our products will achieve sufficient market acceptance among potential customers. In particular, the degree of market acceptance of our tungsten products will be affected by the availability of alternatives to and changing demand for tungsten products. If new alternatives that could potentially replace tungsten and are more favorably received or cost effective than tungsten are introduced, metals such as molybdenum, tantalum, niobium, chromium and iron, as well as new materials like graphene, which may adversely affect the demand for our tungsten products, we may not be able to sell our tungsten products at favorable prices and generate revenue. As a result, any adverse change in market demand, customer preference or market prices for tungsten products could have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to environmental risk, and we are required to comply with environmental laws and regulations which may continue to develop and change.

Our operations are subject to the environmental risks inherent in tungsten mining and production. These risks may include risks of treatment and discharge of hazardous wastes and materials and environmental rehabilitation. The occurrence of any of these risks could result in damage to the environment or destruction of production facilities, personal injury, business interruption, delay in production, increased production cost, monetary loss and possible legal liability to us, which could materially and adversely affect our business, financial condition and results of operations.

Our operations are subject to environmental laws and regulations in the regions in which we operate. Our operations require numerous governmental approvals and permits related to environmental protection, which could require us to make significant capital and maintenance expenditures to comply with relevant laws and regulations. Our Kazakhstan Legal Advisors have advised that any damage to the environment could lead to a substantial amount of compensation to be borne by us, damage our reputation, cause delays in production or result in a temporary or permanent closing of some or all of our mining processing facilities. These potential liabilities arising from any non-compliance could have an adverse impact on our business, financial condition and results of operations. While we monitor our compliance with these permits and the environmental laws and regulations, we cannot guarantee that our operations will not have environmental risks or hazards in the future.

We are also subject to future events, including changes in existing laws or regulations related to environmental protection or enforcement policies, or further investigation or evaluation of the potential environmental impact of some of our products or business activities, which may result in additional compliance and other costs. We cannot assure you that any national or local authorities in Kazakhstan will not enact or enforce new laws or regulations, or amend existing laws or regulations related to environmental protection in a more stringent manner. For further details on the relevant laws and regulations, please refer to "Regulatory Overview." More stringent laws and regulations, or interpretations of existing laws or regulations related to environmental protection, may impose new liabilities on us, require us to reduce operating hours or alter our tungsten processing processes, require additional investment by us in pollution control equipment, or impede the opening of new or expansion of existing facilities. For example, a new environmental code that came into force on July 1, 2021 substantially revised the state environmental regulations in Kazakhstan in terms of conducting environmental impact assessments, issuing environmental permits, stimulating reduction in emissions, improving the principles of emissions and waste management regulations, and introducing progressive mechanisms for environmental regulations based on the experience of the Organization for Economic Co-operation and Development countries. Such costs, liabilities or disruptions in operations could materially and adversely affect our business, financial condition and results of operations.

The Kazakhstani Government policies and regulations on the mining sector, including in respect to pricing and export requirements, may affect our Group's business.

As we engage in tungsten mining and production in Kazakhstan, our operation are subject to various laws, regulations and government policies relating to a broad range of matters, including but without limitation to, the SSU Code, Water Code, Land Code, Code on the Health of the People and the Health Care System, Labor Code, Civil Protection Law and their respective subordinated laws and regulations. In addition, we expect to export and sell most of our tungsten products outside Kazakhstan, which will subject us to a variety of laws and regulations relating to export and sale, including but without limitation to, the SSU Code, Tax Code, Code on Customs, Currency Regulation and Currency Control Law and their respective subordinated laws and regulations.

Our business is also subject to future events, including changes in existing laws, regulations or government policies. Stricter laws and regulations, or more stringent interpretations of existing laws or regulations, may impose new liabilities on us, which may disrupt our business activities and materially and adversely affect the prices of our tungsten products.

Given the magnitude, complexity and continuous amendments to the laws, regulations and government policies, compliance therewith may be onerous and it may cost substantial financial and other resources to establish efficient compliance and monitoring systems. The liabilities, costs, obligations and requirements associated with these laws, regulations and government policies may therefore be substantial and may delay the commencement of, or cause interruptions to, our production. Non-compliance with the laws, regulations and government policies applicable to our operations may even result in substantial penalties or fines, suspension or revocation of our relevant licenses, termination of the mining contracts or suspension of our operations, which could materially and adversely affect our business, financial condition and results of operations.

RISKS RELATING TO CONDUCTING BUSINESS IN KAZAKHSTAN

We may be subject to tax liabilities in the event that Kazakhstan tax non-resident investors who are ineligible for any tax exemptions fail to pay capital gain tax. As a result, our Company, our Directors and the senior management may be held accountable for relevant tax liabilities and may be subject to administrative or criminal penalties.

In the event that investors who are Kazakhstan tax non-residents become ineligible for any tax exemptions, they will be subject to Kazakhstan income tax on capital gain derived from the transfer of our Shares. Although the primary obligation to pay such taxes rests with the disposing and/or acquiring investors (in cases where they are considered to be tax agents), if Kazakhstan tax authorities determine that a Kazakhstan tax non-resident investor did not report and/or pay tax on capital gain derived from our Shares, Kazakhstan tax authorities may seek to recover such tax from us and further impose fines (up to 50% of the tax amount they fail to collect from the relevant Kazakhstan tax non-resident investor) and late payment fees on us. In the case where there is no tax agent involved in the transaction at issue, administrative and criminal liabilities may also be imposed on the disposing investors, Subsidiary ZV and their chief executive officers (directors) or other authorized personnel responsible for the decisions/actions which led to the non-fulfillment of the respective tax obligation. Please refer to "Regulatory Overview—Liability for Non-fulfillment of Tax Obligations" for further details. The amount of such fines and late payment fees is difficult to estimate, therefore, we cannot estimate the potential maximum exposures of our investors, us and our Directors due to such non-fulfillment of the respective tax obligations, which could have a material adverse effect on our business, financial condition and results of operations.

Changes to the Kazakhstan laws, regulations and governmental policies for the mining industry may restrain our performance and subject us to potential liabilities and additional financial obligations.

Our operations are governed by a wide range of Kazakhstan laws, regulations, policies, standards and requirements in relation to, among other things, exploration, production and sales of tungsten, taxation, labor standards, currency control and operation management. Please refer to "Regulatory Overview" for the details of such regulatory framework concerning our operations. The Kazakhstan local and central authorities exercise a substantial degree of control over the mining industry in Kazakhstan. Any changes to these laws, regulations, policies, standards and requirements or the interpretation or enforcement thereof may incur additional compliance efforts and increase our operating costs and thus adversely affect our business, financial condition, and results of operations.

Adverse changes in political, social and economic policies of the Kazakhstani Government could have a material adverse effect on the overall economic growth of Kazakhstan.

Kazakhstan became an independent sovereign nation in 1991 following the break-up of the Union of Soviet Socialist Republics (the "USSR" or the "Soviet Union"). A number of the former republics of the USSR went through periods of political instability, civil unrest, military action and territorial disputes accompanied by violence, while Kazakhstan had also undergone major changes as part of its transformation from a centralized planned economy to a free-market economy. Initially, this transformation was accompanied by political uncertainties and strains, economic downturns caused by high inflation, volatility in the national currency and rapid, although incomplete, changes to the legal environment. Since its independence, the political situation in Kazakhstan has generally remained stable. However, certain social disturbances, such as the regional demonstrations occurred in January 2022, may occur again in the future.

Kazakhstan is an emerging market and we conduct our business operations in Kazakhstan. We may be subject to certain risks, including legal, economic and political risks in conducting business in Kazakhstan, than competitors in more developed markets. Our results of operations are also sensitive to the economic, political and legal environment in Kazakhstan, and Kazakhstan's overall GDP growth. The Kazakhstan economy differs from the economies of most developed countries in many respects, including that it:

- has a high level of government involvement;
- is in a relatively early stage of development of a market-oriented economy;
- has experienced rapid growth;
- has a controlled foreign exchange policy; and
- may be characterized by a relatively inefficient allocation of resources.

Furthermore, financial problems or an increase in the perceived risks associated with investing in emerging economies may dampen foreign investment in Kazakhstan and adversely affect Kazakhstan's economy. In addition, companies operating in emerging markets can face severe liquidity constraints if foreign funding resources are withdrawn. Whether or not Kazakhstan's economy is relatively stable, financial turmoil in any emerging market country, could have a material adverse effect on our business, financial condition and results of operations.

There is no assurance that any prolonged political instability will not exacerbate pressure on the lawful currency of Kazakhstan and will not cause significant fluctuation on Tenge against other foreign currencies and will not have a material adverse impact on the economic environment of Kazakhstan. If any of these events occurs, it may in turn materially affect our operations and our financial performance.

The laws and regulations of Kazakhstan are developing and uncertain, and any change in laws or regulations or how they are interpreted require us to make substantial expenditures or subject us to material liabilities or other sanctions.

The laws and regulations of Kazakhstan relating to foreign investment, subsoil use, licensing, companies, customs, currency, capital markets, environmental protection, pensions, insurance, banking, taxation and competition are still developing and are subject to periodic changes. Any change in Kazakhstan laws or regulation could result in increased compliance costs. Moreover, many such laws or regulations provide regulators and officials with substantial discretion in their application, interpretation and enforcement.

In accordance with the Constitution of Kazakhstan, the subsoil and minerals in Kazakhstan belong to the people and the state performs the ownership on behalf of the people. Subsoil use rights are not granted in perpetuity, and any renewal must be agreed before the expiration of the relevant contract or license. Occurrence of several relatively minor breaches that were not rectified on time could conceivably lead to severe consequences, such as termination of the subsoil use rights, and there are few precedents that would make the consequences of a breach more predictable.

Subsoil use laws and regulations in Kazakhstan impose certain continuing obligations and restrictions on subsoil users and require subsoil users to incur significant capital expenditure and compliance costs. These significant expenditures and costs are incurred on an ongoing basis and we will be obliged to incur them following the Listing. The relevant laws and regulations may be unclear and vague with regards to the extent of the obligations and restrictions that are relevant to us. In addition, the Kazakhstan regulatory authorities and courts exercise considerable discretion in the interpretation and enforcement of these laws and regulations, at times in a manner that is inconsistent with the relevant legislation and the previous practice.

As a result, as advised by our Kazakhstan Legal Advisors, the competent authorities routinely approach subsoil users in Kazakhstan in connection with various alleged breaches of the applicable laws and regulations. As mentioned above, in the absence of a materiality qualification under the relevant laws and regulations, such breaches could conceivably lead to severe consequences, such as termination of the subsoil use rights. There can be no guarantee that non-compliance (or alleged non-compliance) incidents related to our mining contracts will not occur in the future.

We are required to obtain and maintain, on an ongoing basis, all permits, licenses, approvals, registration, confirmation and other agreements as are required by the laws of Kazakhstan. Failure to obtain or maintain any such permits, licenses, approvals, registration, confirmation and other agreements could have a material adverse effect on our business, financial condition and results of operations. Given Kazakhstan's legislative, judicial and administrative history, it is not possible to predict the effect of current and future legislation on our business. Our ongoing rights under the SSU Contract, licenses, permits, approvals, registration, confirmation and other agreements may be susceptible to revision or cancellation, and legal redress in relation to such revocation or cancellation may be uncertain. Any changes to our rights under the SSU Contract, licenses, permits and approvals (and any other relevant legislative changes) or increased compliance costs could have a material adverse effect on our business, financial condition and results of operations.

Kazakhstan's judicial system is still under development, the limited experience and perceived lack of independence of Kazakhstan's judiciary, the potential difficulty of enforcing court decisions and governmental discretion in enforcing claims could prevent us or holders of our Shares from obtaining effective redress in a court proceeding.

The independence of the judicial system and its immunity from economic, political and nationalistic influences in Kazakhstan cannot be guaranteed. Not all Kazakhstan legislation and court decisions are readily available to the public or organized in a manner that facilitates understanding. The Kazakhstan judicial system can be slow and court orders are not always enforced or followed by law enforcement agencies. All of these shortcomings may affect our ability or holders of our Shares to obtain effective legal redress in Kazakhstan courts. Further, these uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain and could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, as advised by our Kazakhstan Legal Advisors, claims arising from the use of the infrastructure of the AIX by virtue of our Shares being listed and traded on the AIX will be subject to consideration by the recently created court of the Astana International Financial Center, which operates on the basis of the relevant act of the AIFC Council, which shall be based on the procedural principles and norms of England and Wales and/or standards of the leading world financial centers. Due to its very limited history of operation, the outcome of any such proceedings are difficult to predict. These uncertainties make judicial decisions in Kazakhstan difficult to predict and effective redress uncertain, which could have a material adverse effect on our business, financial condition and results of operations.

It may be difficult to enforce legal judgment against us, our members or our Directors and officers.

We are a holding company incorporated under the Hong Kong law with most of our business operations conducted through our principal operating subsidiary registered in Kazakhstan. Most of our Directors and officers are residents of jurisdictions outside Hong Kong. A substantial portion of our assets and the assets of our Directors and officers, at any one time, are and may be located in jurisdictions outside Hong Kong. It could be difficult for investors to effect service of process within Hong Kong on our Directors and officers who reside outside Hong Kong. Kazakhstan has no direct bilateral reciprocal agreements or arrangements with Hong Kong that provide for the recognition and enforcement of any judgments of the Hong Kong courts. As a result, it may be difficult for investors outside Kazakhstan to enforce any judgments of the Hong Kong courts against us, our members or our Directors and officers in Kazakhstan.

The taxation system and the interpretation and application of tax laws and regulations in Kazakhstan are under development.

The tax environment in Kazakhstan is subject to change and inconsistent application and interpretations. In particular, existing subsoil use contracts do not have tax stability starting from January 1, 2009 and tax liabilities are computed under common regime based on the current Kazakhstan tax law. This could result in unfavorable changes to the tax positions of subsoil users, including us. Additionally, in certain circumstances, mining companies in Kazakhstan theoretically may need to fulfill Kazakhstan income tax obligations for non-residents transferring the Shares outside Kazakhstan. Non-compliance with Kazakhstan laws and regulations as interpreted by the Kazakhstan authorities may lead to the assessment of additional taxes, penalties and interest.

Kazakhstan tax legislation and practice are in a state of continuous development, and therefore, are subject to varying interpretations and frequent changes, which may be retroactive. In certain situations, to determine a tax base, the tax legislation refers to IFRS provisions. In such cases, interpretation of IFRS provisions by the Kazakhstan tax authorities may differ from accounting policies, judgments and estimates used by management for preparation of these financial statements, and this may result in additional tax liabilities for us. Tax periods remain open to retroactive review by the Kazakhstan tax authorities for three years, and may be extended for up to five or more years (up to five years after expiration of the relevant subsoil use contract for certain taxes) in certain circumstances.

The continuing evolvement and potential inconsistent implementation of Kazakhstan taxes may result in unexpected tax liabilities that could contribute to a material adverse effect on our business, financial condition and results of operations.

Kazakhstan has enacted a currency control law that may affect our foreign currency dealings.

On July 1, 2019, the new Currency Regulation and Currency Control Law came into force. It replaced the previous Law of the Republic of Kazakhstan "On Currency Regulation and Currency Control" No. 57-III dated June 13, 2005. Under the Currency Regulation and Currency Control Law, any currency transaction is subject to record registration (through assignment of a tracking number) if such currency transaction provides for the transfer of property (money) from/to Kazakhstan and/or involves a resident's rights to demand the return of property (money) by a non-resident (or resident's obligation to return property (money) to non-resident) in the amount exceeding an equivalent of US$500,000 or its equivalent.

Under the Rules for the implementation of export-import currency control, a foreign exchange agreement for export or import is subject to record registration (assignment of tracking number) if the amount of such agreement exceeds US$50,000 or its equivalent. The rules for currency transactions also restrict the conversion of Tenge into foreign currency. Specifically, resident legal entities (other than banks) can convert the Tenge per day into foreign currency (up to an equivalent of US$50,000) for purposes other than repaying foreign currency-denominated obligations only within certain limits each day. Such purposes include the transfer of foreign currency to their own accounts in foreign banks, gratuitous transfers of money in foreign currency, as well as crediting and/or transferring foreign currency to their own accounts in Kazakhstan banks.

The National Bank of Kazakhstan (the "**NBK**") has made changes to the rules for currency transactions to establish certain criteria to identify the transactions that are aimed at transferring the funds out of Kazakhstan or evading the requirements imposed by the currency regulations. Such transactions include, among others, provision of financial loans by residents to non-residents and their non-affiliated entities on an interest-free basis, and transfer by residents of their own funds in the amount exceeding US$50,000 or its equivalent to their accounts in a foreign bank. Conducting those transactions does not require special permission by the NBK or other Kazakhstani Government authorities, but requires the completion of certain formalities as provided by the currency regulation rules. Those changes made by the NBK came into force on January 1, 2024, and they may affect our business, financial condition and results of operations.

The Currency Control Law empowers the Kazakhstani Government, by special action and under circumstances when the economic security and stability of Kazakhstan's financial system is threatened, to introduce a special currency regime that may limit performance of certain currency operations. Such limitations may, *inter alia*, include: (1) compulsory sale of foreign currency received by residents; (2) placement of a certain portion of funds resulting from currency transactions into an interest free deposit in a Kazakhstan licensed bank or the NBK; (3) restrict the use of accounts in foreign banks; and (4) require a special permit from the NBK for conducting currency transactions. The Kazakhstani Government, on the basis of a joint submission by the NBK and the relevant authorized bodies, may impose other limitations with respect to currency transactions. The Currency Control Law also provides for a new power of the NBK to restrict the conversion of the Tenge into foreign currency. Specifically, under the Currency Control Law, the NBK establishes limits for resident legal entities to convert Tenge into foreign currency for certain specified purposes (determined by the NBK). In order for Kazakhstan to remain in compliance with its membership obligations under the Charter of the International Monetary Fund, the new currency regime cannot restrict residents from repaying foreign currency-denominated obligations. It is at present unclear how the new currency regime will ultimately impact us. However, significant restrictions on our foreign currency dealings could have a material adverse effect on our business, financial condition and results of operations.

We cannot guarantee the accuracy of facts, forecasts and statistics with respect to Kazakhstan, the Kazakhstan economy and our relevant industries contained in this prospectus.

Certain facts, forecasts and statistics in this prospectus relating to Kazakhstan, the Kazakhstan economy and industries relevant to us have been derived from information provided or published by Kazakhstan authorities, industry associations, independent research institutions or other third-party sources, and we cannot guarantee the quality nor reliability of such source materials. Certain information and statistics have been extracted from a market research report by Frost & Sullivan, an independent third party that we commissioned. Such information has not been prepared or independently verified by us, the Sole Sponsor, the Sole Representative, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, any of the Underwriters, or any of our or their respective directors, supervisors, officers, employees, advisors, agents or representatives or any other party involved in the Global Offering. Therefore, we make no representation as to the accuracy of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside Kazakhstan. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice, the statistics herein may be inaccurate or incomparable to statistics produced for other economies and should not be relied upon. Furthermore, there can be no assurance that they are stated or compiled on the same basis, or with the same degree of accuracy, as similar statistics presented elsewhere. In all cases, investors should consider how much weight or importance they should attach to or place on such facts, forecasts or statistics.

RISKS RELATING TO THE GLOBAL OFFERING

We will be concurrently subject to Hong Kong and Kazakhstan listing and regulatory requirements, which may give rise to additional costs.

We plan to issue 1,317,600 Shares, which represents approximately 1.2% of the Offer Shares (subject to reallocation and assuming the Over-allotment Option is not exercised), through the AIX Offering. Please refer to "History and Corporate Structure—Our Listing on the AIX" in this prospectus for further details. We will be subject to both the Hong Kong laws, rules and regulations, including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO, and the AIX or AIFC rules and regulations, including but not limited to the AIX Business Rules (which include AIX Market Disclosure Rules, AIX Markets Listing Rules, AIX Admissions and Disclosure Standards for Issuers, AIX Prospectus Rules) and AIFC Market Rules. If any conflict between the Hong Kong laws, rules and regulations, and the Kazakhstan or AIFC laws, rules and regulations arises, we shall comply with the more restrictive and stringent rule. As such, we may incur additional costs and resources in complying with the requirements of both Hong Kong and Kazakhstan or the AIFC.

There has been no prior public market for our Shares, and an active trading market may not develop after the Global Offering.

Prior to the Global Offering, there was no public market for our Shares. There can be no guarantee that an active trading market for our Shares will develop or be sustained after the completion of the Global Offering. The market price of our Shares may drop below the Offer Price at any time after completion of the Global Offering.

In addition, the trading price of our Shares may be volatile and could fluctuate widely in response to factors beyond our control, including general market conditions of the securities markets in Hong Kong, the United States and elsewhere in the world. In particular, the performance and fluctuation of the market prices of other companies that have listed their securities in Hong Kong may affect the volatility in the price of and trading volumes for our Shares, and the price of our Shares may not reflect our actual results of operations.

The liquidity, trading volume and market price of the Shares following our Global Offering may be volatile.

The price at which our Shares will trade after the Global Offering will be determined by the marketplace, which may be influenced by many factors, some of which are beyond our control, including:

- variations in our financial results;
- changes in securities analysts' estimates, if any, of our financial performance;
- the history of, and the prospects for, us and the industry in which we compete;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures, such as the views of independent research analysts, if any;
- the present state of our development;
- addition or departure of our key personnel or senior management;
- new investments, acquisitions, joint ventures or alliances in the future;
- the valuation of publicly traded companies that are engaged in business activities similar to ours;

- actions taken by our competitors;
- general market sentiment regarding (i) the tungsten mining industry in Kazakhstan; and (ii) the tungsten products in general;
- changes in laws and regulations in Kazakhstan and Hong Kong;
- our inability to compete effectively in the market;
- our inability to obtain or maintain regulatory approval for our operations;
- unexpected business interruptions resulting from natural disasters or power shortages; and
- political, economic, financial and social developments in Kazakhstan, Hong Kong and worldwide.

In addition, the Stock Exchange has from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of companies listed on the Stock Exchange. Such volatility has not always been directly related to the performance of the specific companies whose shares are traded. As a result, investors in our Shares may experience volatility in the market price of our Shares and a decrease in the value of our Shares regardless of our operating performance or prospects.

We will need to maintain our Shares on the Official List of the AIX and/or on the Stock Exchange in order for the holders of our Shares to enjoy the exemption under the SSU Code for subsequent transactions after the listing of our Shares on the AIX and/or on the Stock Exchange.

The SSU Code requires obtaining permission from the relevant competent authority for any transfer of subsoil use rights (or a part thereof) or any direct or indirect interest in a subsoil user, including for purposes of the listing and trading on the Official List of the AIX and/or on the Stock Exchange. Certain transfers (*e.g.* transfer of less than 1% of the shares, transfer between legal entities each of which is 99% or more owned by one and the same person provided that such legal entities are not registered in the offshore countries, and transfer by way of succession on the basis of a transfer deed at reorganization of a legal entity) are exempt from such requirement. After obtaining the relevant competent authority's permission for the listing of our Shares on the AIX and/or on the Stock Exchange, all subsequent transactions with our Shares after the listing of our Shares on the AIX and/or on the Stock Exchange do not require the permission of the relevant competent authority, except for further additionally issued shares. Accordingly, if our Shares are delisted from the AIX and the Stock Exchange for any reason, the holders of our Shares can no longer rely on such exemption under the SSU Code, and therefore, the corresponding transfers of our Shares will be subject to the permission of the relevant competent authority.

We cannot guarantee the accuracy of facts and other statistics with respect to certain information obtained from the Frost & Sullivan Report and Independent Technical Report contained in this prospectus.

Certain facts and statistics in this prospectus, including but not limited to information and statistics relating to the market size, ranking and trends, are based on the Frost & Sullivan Report, the Independent Technical Report or are derived from various publicly available publications.

We cannot, however, guarantee the quality or reliability of such facts and statistics. Although we have taken reasonable care to ensure that the facts and statistics presented are accurately extracted and reproduced from such publications, including the Frost & Sullivan Report and the Independent Technical Report, they have not been independently verified by us, the Sole Sponsor, the Sole Global Coordinator, the Underwriters, nor our or their respective affiliates or advisors or any other parties involved in the Global Offering (except Frost & Sullivan and the Independent Technical Consultant themselves, respectively) and no representation is given as to its accuracy. We therefore make no representation as to the accuracy of such facts and statistics which may not be consistent with other information complied by other sources and prospective investors should not place undue reliance on any facts and statistics derived from public sources or the Frost & Sullivan Report and the Independent Technical Report contained in this prospectus.

Further issuances or sales, or perceived possible issuances or sales, of substantial amounts of the Shares in the public market could materially and adversely affect the prevailing market price of the Shares and our Company's ability to raise capital in the future.

The market price of the Shares could decline as a result of future sales of substantial amounts of the Shares or other securities relating to the Shares in the public market, or the issuance of new Shares by our Company, or the perception that such sales or issuances may occur. Future sales, or perceived possible sales, of substantial amounts of the Shares could also materially and adversely affect our Company's ability to raise capital in the future at a time and at a price favorable to our Company, and the holders of our Shares may experience dilution in their holdings upon issuance or sale of additional Shares or other securities in the future.

We have been granted waiver from strict compliance with certain requirements of the Listing Rules by the Stock Exchange, however this waiver could be revoked, exposing us and our Shareholders to additional legal and compliance obligations.

We have applied for, and the Stock Exchange, has granted to us, waiver from strict compliance with the Listing Rules. Please refer to "Waivers from Strict Compliance with the Listing Rules" for further details. There is no assurance that the Stock Exchange will not revoke the waiver granted or impose certain conditions on the waiver. If the waiver was to be revoked or to be subject to certain conditions, we may be subject to additional compliance obligations, incur additional compliance costs and face uncertainties arising from issues of multi-jurisdictional compliance, all of which could adversely affect us and our Shareholders.

The Astana International Exchange (AIX) has a very short history of operations.

The Shares will be traded on the AIX in the AIFC. The AIX was launched in July 2018, and therefore, has a relatively short history of operation. Since its launch, the AIX's technology and infrastructure have proven sufficient and reliable to continuously facilitate trading and post-trade operations, including during times of high volatility and market turmoil caused by the COVID-19 outbreak and recent geopolitical events in Kazakhstan and globally. In general, the domestic capital markets in Kazakhstan face a lack of liquidity, which is a common aspect of frontier markets. Such lack of liquidity may materially affect the pricing of the Shares.

Both Kazakhstan tax resident investors and tax non-resident investors may be subject to Kazakhstan income tax for capital gains or dividends derived from our Shares, unless they are eligible for applicable tax exemptions.

According to the Tax Code, in the absence of tax exemptions, investors who are Kazakhstan tax residents may be subject to Kazakhstan income tax on (i) capital gains derived from the transfer of our Shares and (ii) dividends received on our Shares; and investors who are Kazakhstan tax non-residents may be subject to income tax on capital gain derived from the transfer of our Shares.

The AIFC Constitutional Law grants AIFC Exemption. Pursuant to the AIFC Exemption individuals and legal entities, irrespective of their tax residency status, are exempt from Kazakhstan income tax on dividends (subject to, in respect of Kazakhstan tax resident individuals and tax non-residents, a trading criteria) received on, and capital gains derived from the transfer of securities listed on the AIX, until January 1, 2066. The aforementioned trading criteria, which were not included in the AIFC Constitutional Law or the AIFC Exemption as originally enacted, are only relevant for the taxation on dividends and not capital gains. Such trading criteria were introduced in 2023 to limit the applicability of exemptions related to dividends for companies that listed their shares but with no active trading by public (*i.e.*, listing merely for accessing the exemption), and were further amended retroactively to exclude resident legal entities. The trading criteria are published on the AIX website on a regular basis and the tax resident individual investors should monitor and assess the trading criteria for the tax periods in which they receive dividends that are subject to tax. However, the trading criteria are not applicable to non-resident investors as there is no Kazakhstan tax on dividends (to be paid by our Company) payable to and to be received by non-resident investors. As of the Latest Practicable Date, there had been reported failures by securities listed on the AIX to meet any of the trading criteria, which means that the shares of these companies were not actively traded on the AIX.

As advised by our Kazakhstan Tax Advisors and confirmed by our Kazakhstan Legal Advisors, in practice, the relevant authority would monitor the trading data published by the AIX on its website to assess whether a company has satisfied the trading criteria.

The AIFC Exemption may become unavailable if it is abolished/modified or if the Shares are delisted from the AIX. While we are pursuing the listing of our Shares on both AIX and the Stock Exchange, we cannot assure you that we will obtain approval by AIX of the admission of our Shares to the Official List of the AIX. If we fail to list our Shares on the AIX, or if our Shares are later removed from the Official List of the AIX, holders of our Shares (including both Kazakhstan tax residents and Kazakhstan tax non-residents) will not be able to rely on the AIFC Exemption and may therefore be subject to Kazakhstan income tax on capital gains derived from the transfer of our Shares and/or dividends received on our Shares, unless they are eligible for any other tax exemptions. Furthermore, if our Shares are listed on the AIX (i.e., being included into the Official List of the AIX according to the Tax Code) *after* they are listed on the Stock Exchange, such time gap (*i.e.,* the interval between (i) the Listing on the Stock Exchange and (ii) publication of the "Notice of Admission to the Official List" on the AIX) would cause the holders of our Shares not to be able to rely on the AIFC Exemption until our Shares are listed on the AIX. The Company's advisor for the AIX Listing had conducted consultations with the Head of Public Issuers of AIX (who at the time of the consultation held the role of the Public Issuers Associate). The Head of Public Issuers typically (i) serves as the official-in-charge of the listing procedures, reporting directly to the chief executive officer of the AIX, and (ii) acts as the authorized representative responsible for, among others, approving the listing documents and listing applications for the AIX. Based on the consultations with the Head of Public Issuers, the AIX is committed to providing the best assistance to ensure the timely publication of the Notice of Admission to the Official List on AIX website, tentatively before 6:00 a.m. ALMT (9:00 a.m. HKT) on the Listing Date, ensuring that the AIFC Exemption applies immediately upon the Listing in Hong Kong, thereby protecting the Shareholders in Hong Kong from tax liability.

While the Tax Code provides additional exemptions with respect to transactions with securities as set forth below, the availability of these exemptions is subject to additional conditions and criteria as further described in "Regulatory Overview — Exemptions under the AIFC Constitutional Law and the Tax Code," and we cannot assure you that those conditions and criteria would be satisfied. The tax exemptions included in the Tax Code are summarized below:

- Dividends received by tax resident Investors (legal entities) from the Shares will be exempt from the Tax under the general provisions of the Tax Code.

- Dividends received by tax resident investors (individuals) will be exempt from the Tax in the case where such Shares are listed and trading on the AIX if the following trading criteria established by the Kazakhstani Government are met: (i) trading volume is at least KZT25 million per calendar month and (ii) the number of transactions with securities is at least 50 transactions per calendar month. Dividends received by tax non-resident investors (both legal entities and individuals) are outside the scope of Kazakhstan taxation.

- Capital gains received by individual investors (both residents and non-residents) and tax resident legal entity investors from disposal of the Shares will be exempt from the tax if the sale of the Shares is contemplated by way of an open trade on the AIX provided that such Shares are included into Official List of the AIX as of the date of their sale, which is only available for the Shares traded on the AIX and not available for the Shares traded on the Stock Exchange.

- Capital gains received by tax non-resident legal entity investors will be exempt from the tax if the sale of the Shares is contemplated by way of an open trade on the AIX or on the Stock Exchange, provided that the Shares are included into the Official List of these stock exchanges as of the date of their sale.

There is no certainty as to the interpretation that may be taken by Kazakhstan tax authorities in relation to the applicability of any tax exemptions, including but not limited to the AIFC Exemption. There is no guarantee the Kazakhstan tax authorities would interpret or enforce the provisions of the tax exemptions in the manner described above.

In the event that the AIFC Exemption is not available, there is currently no effective and comprehensive mechanism for investors and our Company to assess, report and settle the respective capital gain tax and dividend income tax obligation and we cannot estimate the potential maximum exposures of our investors, us and our Directors if the AIFC Exemption becomes unavailable.

It may be difficult for investors to fulfill their capital gain tax obligations if the open-trade exemptions are removed given that the identities of those disposing and acquiring Shares for on-market trades may not be ascertained.

While the Tax Code provides certain open-trade exemptions as described in "—Both Kazakhstan tax resident investors and tax non-resident investors may be subject to Kazakhstan income tax for capital gains or dividends derived from our Shares, unless they are eligible for applicable tax exemptions" above, there is no certainty as to the interpretation that may be taken by Kazakhstan tax authorities in relation to the applicability of such open-trade tax exemptions. There is no guarantee the Kazakhstan tax authorities would interpret or enforce the provisions of the open-trade tax exemptions in the manner described in the Tax Code. In the event that the open-trade exemptions are removed and the investors are unable to enjoy any other tax exemptions, such investors will be subject to the Tax (with a tax rate ranging 10% to 20% depending on their residency and status) in Kazakhstan in respect of the capital gains from the disposal of our Shares. However, given that the identities of those disposing and acquiring our Shares for on-market trades may not be ascertained, it may be difficult for the affected investors to fulfill their capital gain tax obligations properly and the potential maximum exposures of our investors due to such non-fulfillment are difficult to predict.

We strongly caution you not to place any reliance on any information contained in press articles or other media regarding us or the Global Offering.

There may be, subsequent to the date of this prospectus but prior to the completion of the Global Offering, press and media coverage regarding us and the Global Offering, which contained, among other things, certain financial information, projections, valuations and other forward-looking information about us and the Global Offering. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this prospectus, we disclaim responsibility for them. Accordingly, prospective investors are cautioned to make their investment decisions on the basis of the information contained in this prospectus only and should not rely on any other information.

You should rely solely upon the information contained in this prospectus and any formal announcements made by us in Hong Kong or Kazakhstan in making your investment decision regarding our Shares. We do not accept any responsibility for the accuracy or completeness of any information reported by the press or other media, nor the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding our Shares, the Global Offering or us. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such data or publication. Accordingly, prospective investors should not rely on any such information, reports or publications in making their decisions as to whether to invest in our Company. By applying to subscribe our Shares in the Global Offering, you will be deemed to have agreed that you will not rely on any information other than that contained in this prospectus.

Forward-looking statements contained in this prospectus are subject to risks and uncertainties and could prove inaccurate.

This prospectus contains certain statements and information that are forward-looking and uses forward-looking terminology such as "anticipate," "believe," "could," "estimate," "expect," "forecast," "going forward," "intend," "may," "ought to," "plan," "potential," "predict," "project," "seek," "should," "will," "would," "wish" and the negative of these words and other similar expressions. You are cautioned that reliance on any forward-looking statement involves risks and uncertainties and that any or all of those assumptions could prove to be inaccurate and as a result, the forward-looking statements based on those assumptions could also be incorrect. In light of these and other risks and uncertainties, the inclusion of forward-looking statements in this prospectus should not be regarded as representations or warranties by us that our plans and objectives will be achieved and these forward-looking statements should be considered in light of various important factors, including those set forth in this section. Subject to the requirements of the Listing Rules, we do not intend to update or otherwise revise the forward-looking statements in this prospectus to the public, whether as a result of new information, future events or otherwise. Accordingly, you should not place undue reliance on any forward-looking information. All forward-looking statements in this prospectus are qualified by reference to this cautionary statement.

In preparation for the Listing, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules.

BASIC CONDITIONS FOR LISTING IN RELATION TO QUALIFICATIONS FOR LISTING

According to Rule 8.05 of the Listing Rules, an issuer must satisfy one of the three tests in relation to: (a) profit; (b) market capitalization, revenue and cash flow; or (c) market capitalization and revenue requirements (collectively, the "**Financial Standards Requirements**").

Pursuant to Rules 8.05B(1) and 18.04 of the Listing Rules, a mineral company that is unable to satisfy the Financial Standards Requirements may still apply to be listed if the Stock Exchange is satisfied that the directors and senior managers of the issuer, taken together, have sufficient experience relevant to the exploration and/or extraction activity that the mineral company is pursuing (the "**Relevant Experience Requirements**"). Sufficient and relevant experience are demonstrated by a five-year or more experience in the exploration for and/or extraction of relevant natural resources of the issuer.

Reference is also made to Chapter 2.6 of the Guide for New Listing Applicants, whereby a mineral company can rely on Rule 18.04 of the Listing Rules for the exemption of Rule 8.05 of the Listing Rules if it can (i) demonstrate a clear path to commercial production; (ii) disclose in the listing document details of the plan to provide investors sufficient information to perform an informed assessment on its value; and (iii) meet the Relevant Experience Requirements. In particular, where the experience of the directors or management in commodities or minerals is different from the applicant's operations, the Stock Exchange will consider (i) whether such skills are transferable to the applicant's mining activities; and (ii) the directors' or management's academic and professional qualifications, significant mining related achievements/awards, and contribution to the mining industry and/or any Mineral Companies (as defined in the Listing Rules).

We are unable to meet the Financial Standards Requirements. We have therefore applied for, and the Stock Exchange has granted us a waiver from strict compliance with Rule 8.05 of the Listing Rules in accordance with Rules 8.05B(1) and 18.04 of the Listing Rules on the grounds as follows:

(a) our Company was principally engaged in exploration, development, production of Tungsten ore in Kazakhstan and is a mineral company to which Chapter 18 of the Listing Rules applies;

(b) our inability to comply with the Financial Standards Requirements under Rule 8.05 of the Listing Rules is due to the fact that, throughout the Track Record Period, we had been in pre-production, exploration and/or development phase;

(c) we are able to demonstrate a clear path to commercial production of the Boguty Project. For details of how our Boguty Project have a clear path to commercial production, please refer to the paragraphs headed "Our Mineral Assets and Mining Rights" for our mining assets and "Development Plan and Planned Production Schedule" for a detailed plan to achieve profitable commercial production in the "Business" section of this prospectus;

(d) our Directors confirm that all the information that is necessary for the public to make an informed assessment of our Company's activities and financial position has been included in this prospectus; and

(e) one executive Director and five other senior management members of our Company, namely Mr. Wang Zhongwei (汪中偉), Mr. Liu Peng (劉鵬), Mr. Zhao Yingfeng (趙迎鋒), Mr. Chen Bo (陳波), Mr. Zhou Xu (周旭), and Mr. Zhang Shengyi (張勝義) possess sufficient experience relevant to the exploration and/or extraction activity of tungsten mines, having 30, 23, 24, 24, 15 and 42 years of experience in the mining industry, respectively, as well as academic and professional qualifications and mining related achievements and awards. According to the advice from the Independent Technical Consultant (further details of which are set out in the respective biographical details of each of the above Director and senior management members in "Directors and Senior Management" of this prospectus), our Company is of the view that our executive Director's and our senior management members' experiences in mining and beneficiation are transferable to our Company's mining activities of tungsten. For details of the biographical information of our Directors and senior management, please refer to the section headed "Directors and Senior Management" of this prospectus. In this regard, we are of the view that our Directors and senior management members, taken together, have sufficient experience that is specifically relevant to the exploration and/or extraction activities that we are pursuing and therefore can meet the Relevant Experience Requirements.

Our Directors believe that waiver from strict compliance with Rule 8.05 of the Listing Rules will not prejudice the interests of the public investors.

MANAGEMENT PRESENCE

Pursuant to Rules 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two of our executive Directors must ordinarily reside in Hong Kong.

Given that our business operations are principally located and conducted in Kazakhstan and the PRC, and the majority of our Company's executive Directors principally reside in the PRC, and the management and operation of our Group have mainly been under supervision of our executive Directors, who are principally responsible for the overall management, corporate strategy, planning, business development and control of our Group's business, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied for and the Stock Exchange has granted us a waiver from strict compliance with Rule 8.12 of the Listing Rules based on the following conditions:

(a) **Authorized Representatives:** We have appointed Mr. Qiu Huaizhi (邱懷智) and Ms. Liu Wenjing (劉文靜) as our authorized representatives ("**Authorized Representatives**") for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone, facsimile and email to deal promptly with enquiries from the Stock Exchange. Our Company has provided contact details of the two Authorized Representatives to the Stock Exchange and will inform the Stock Exchange as soon as practicable in respect of any change in our Authorized Representatives. Mr. Qiu has confirmed that he possesses valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time, when required. Please refer to the section headed "Directors and Senior Management" for more information about our Authorized Representatives;

(b) **Directors:** When the Stock Exchange wishes to contact our Directors on any matter, each of the Authorized Representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. To facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers, facsimile number and e-mail addresses, to the extent possible) of each of our Directors such that the Authorized Representatives would have the means for contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or is otherwise out of office, he or she will provide the telephone number of the place of his or her accommodation to the Authorized Representatives. To the best of our knowledge and information, each of our Directors who does not ordinarily reside in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and will be able to meet with the Stock Exchange within a reasonable period of time upon request; and

(c) **Compliance Advisor:** We have appointed Guolian Securities International Capital Market Co., Limited as our compliance advisor ("**Compliance Advisor**") pursuant to Rule 3A.19 of the Listing Rules, who will provide us with professional advice on continuing obligations under the Listing Rules and act as our additional channel of communication with the Stock Exchange during the period from the Listing Date to the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year immediately after the Listing. The Compliance Advisor will have access at all times to our Authorized Representatives, the Directors, and other senior management and act as the additional channel of communication with the Stock Exchange and answer enquiries from the Stock Exchange. The contact details of the Compliance Advisor have been provided to the Stock Exchange. We will also inform the Stock Exchange promptly in respect of any change in the Compliance Advisor.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into and are expected to continue with certain transactions after the Listing which will constitute our non-exempt continuing connected transactions under Chapter 14A of Listing Rules. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, waivers in relation to certain continuing connected transactions between us and our connected persons under Chapter 14A of the Listing Rules.

See the section headed "Connected Transactions" in this prospectus for details.

DIRECTORS' RESPONSIBILITY FOR THE CONTENT OF THIS PROSPECTUS

This prospectus, for which the Directors (including any proposed Director who is named as such in this prospectus) collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information with regard to us. Our Directors, having made all reasonable enquiries, confirmed that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

UNDERWRITING AND INFORMATION ON THE GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus sets out the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and on the terms and subject to the conditions set out in this prospectus. No person is authorized to give any information in connection with the Global Offering or to make any representation not contained in this prospectus, and any information or representation not contained herein must not be relied upon as having been authorized by us, the Sole Sponsor, the Sole Representative, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Underwriters, any of our or their respective directors, officers, employees, agents, representatives or professional advisors or any of them, or any other person or party involved in the Global Offering.

Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

Details of the structure of the Global Offering, including its conditions, are set out in "Structure of the Global Offering" and the procedures for applying for the Hong Kong Offer Shares are set out in "How to Apply for Hong Kong Offer Shares."

The Listing on the Stock Exchange is sponsored by the Sole Sponsor and the Global Offering is managed by the Sole Representative. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters subject to the terms and conditions of the Hong Kong Underwriting Agreement. The International Offering is fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement. The International Underwriting Agreement relating to the International Offering is expected to be entered into on or about Tuesday, August 26, 2025.

The Global Offering is a dual primary listing on both the Stock Exchange and the AIX. In order for the investors of our Company to enjoy the benefits of the dual listing on AIX, our Company will offer 1,317,600 Shares, which represents approximately 1.2% of the total number of new Shares offered in the Global Offering and the number of Shares to be issued pursuant to the AIX Offering (subject to reallocation and assuming the Over-allotment Option is not exercised). Shares are offered on the AIX because (i) Shares are required to be admitted to the Official List of the AIX ("**AIX Admission**") in order for investors of Shares listed on both the AIX and/or the Stock Exchange to enjoy the AIFC Exemption and the AIX expects some amount of Shares to be traded on the AIX in order to accept the AIX Admission. In connection with the AIX Offering, application has been made to the AIX to (i) admit our Shares to be issued pursuant to the AIX Offering to the Official List of the AIX; and (ii) admit our Shares for trading on the AIX. The AIX Offering will be carried out in accordance with this prospectus under the AIX and AIFC rules and regulations. The AIX Offering will be led by and managed solely by the AIX bookrunners. Prospective investors who intend to participate in the AIX Offering should review the offering circular with a copy of this prospectus attached thereto, which contains important information about the AIX Offering. The Shares will be offered through the AIX Offering at the AIX Offer Price. Dealings on the AIX is expected to commence on the Listing Date. Neither the delivery of this prospectus nor any offering, sale or delivery made in connection with the Offer Shares should, under any circumstances, constitute a representation that there has been no change or development reasonably likely to involve a change in our affairs since the date of this prospectus or imply that the information contained in this prospectus is correct as of any date subsequent to the date of this prospectus.

CSRC FILING

On February 2, 2024, we submitted the required documents for the listing of our Shares on the Stock Exchange to the CSRC. On June 14, 2024, we submitted to the CSRC the required documents for application of the listing of our Shares on the AIX. The CSRC issued the notification on completion of the filing procedures for the Listing, the AIX Listing and the Global Offering on December 12, 2024. As advised by our PRC Legal Advisors, our Company has completed all necessary filings with the CSRC for the Listing, the AIX Listing and the Global Offering.

RESTRICTIONS ON OFFER AND SALE OF THE OFFER SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his, her or its acquisition of the Offer Shares to, confirm that he, she or it is aware of the restrictions on offers of the Offer Shares described in this prospectus.

No action has been taken to permit a public offering of the Hong Kong Offer Shares or the general distribution of this prospectus in any jurisdiction other than in Hong Kong. Accordingly, without limitation to the following, this prospectus may not be used for the purposes of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions and pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE AND THE AIX

We have applied to the Stock Exchange for the approval for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus on the Stock Exchange. We have also applied to the AIX for the Shares in issue and to be issued as mentioned in this prospectus to be admitted to the Official List of the AIX and to be traded on the AIX. Other than the Stock Exchange and the AIX, no part of our share capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought in the near future.

Based on the correspondences between the AIX and our Company and the comments provided by the AIX, our Directors and our Kazakhstan Legal Advisors are of the view that our Company can satisfy the requirements for the admission of Shares to the Official List of the AIX.

The timetable for the AIX Offering is set out below:

Bookbuilding on the AIX commences	9:00 a.m. ALMT on Wednesday, August 20, 2025
Bookbuilding on the AIX closes	12:00 noon ALMT on Monday, August 25, 2025

Announcement of the level of indications of interest in the AIX Offering to be published on (i) the website of the AIX at **www.aix.kz**; and (ii) on the website of our Company at **www.jiaxinir.com** on or before	Wednesday, August 27, 2025 ALMT
Results of allocation on the AIX Offering will be available through AIX facilities	Wednesday, August 27, 2025 ALMT
Settlement date of the AIX Offering and date of admission to Official List of the AIX	Thursday, August 28, 2025 ALMT
Dealings in the Shares on the AIX are expected to commence on	11:00 a.m. ALMT on Thursday, August 28, 2025

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Offer Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

Our Company may choose not to proceed with the Listing unless the AIX has granted or agreed to grant approval for the dealings in the Shares on the AIX not later than 8:00 a.m. HKT on the Listing Date. The AIX Listing will not proceed unless the Stock Exchange has granted approval for the listing and dealings of Shares not later than 8:00 a.m. HKT on the Listing Date. Notwithstanding the foregoing, the Listing and the AIX Listing are two separate processes. The Listing can proceed independently even if the AIX Listing is delayed or rejected. However, our Company may choose to delay or not proceed with the Listing if the AIX Listing is delayed or rejected given that the AIFC Exemption will not apply unless the Shares are also listed on the AIX. The AIX Listing is conditional upon the Listing as certain listing and trading requirements have been waived by the AIX by recognizing the Stock Exchange's status as an equivalent regulated exchange under the AIX Prospectus Rules (Rule 7) and AIX Markets Listing Rules (Rule 14). Therefore, any delays with the AIX Listing will not affect the legality and validity of the Listing under the Kazakhstan laws. In addition, once the Shares are admitted to the AIX, the AIFC Exemption will apply, as confirmed by the publication of the "Notice of Admission to the Official List" on the AIX website.

The AIX Listing is conditional upon the approval from the Stock Exchange given the Stock Exchange's status as an equivalent regulated exchange in the application of the AIX Listing. Given that the AIFC Exemption will only apply when the Shares are also listed on the AIX, our Company may choose to delay the timetable of the Listing till the approval from AIX is granted in order for the investors to enjoy the benefits of the AIFC Exemption.

COMMENCEMENT OF DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional in Hong Kong at or before 8:00 a.m. HKT in Hong Kong on Thursday, August 28, 2025, it is expected that dealings in our Shares on the Stock Exchange will commence on Thursday, August 28, 2025 HKT. The Shares will be traded in board lots of 400 Shares each, and the stock code of the Shares will be 3858.

Dealings in our Shares on the AIX is expected to commence at 11:00 a.m. ALMT on Thursday, August 28, 2025. The Shares will be traded on the AIX under the trading symbol "JXIR".

Dealings in our Shares are expected to commence on the AIX on the date and in trading hours as specified by the AIX Market Notice on or about the settlement date of the AIX Offering which is expected to be Thursday, August 28, 2025 ALMT.

In case of severe weather conditions, there are no specific rules under the AIX Business Rules that mandate the suspension of trading due to severe weather. However, the AIX has contingency plans in place to ensure the continuity of normal trading operations. These plans include measures such as remote access for officers to manage trading activities and other operational safeguards to handle any disruptions, regardless of weather conditions.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS AND AIX CSD

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange and our compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements have been made for the Shares to be admitted into CCASS.

Investors should seek the advice of their stockbrokers or other professional advisors for details of the settlement arrangements and how such arrangements will affect your rights and interests as such arrangements may affect their rights and interests.

Application has been made on the AIX for the Shares to be admitted to the Official List of the AIX and to be traded on the AIX. Trading in the Shares is expected to commence on the AIX on or about the settlement date of the AIX Offering. Our Shares will be cleared by the AIX CSD.

AIX CSD SETTLEMENT PROCEDURE

It is intended that the allotment of the Shares to the purchasers in the AIX Offering will be made to the accounts of such purchasers with the AIX CSD and payment for the Shares to our Company will be made through the AIX CSD Settlement Bank. In order to receive the Shares, purchasers must be an AIX Trading Member or have either: (i) a brokerage account with an AIX Trading Member; or (ii) a custodian account with non-trading AIX CSD Participant. Purchasers must take all actions required under applicable laws and regulations to receive the Shares purchased. Settlement in connection with AIX Offering will be made through the AIX CSD in accordance with the AIX CSD Business Rules and Procedures.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing to, purchasing, holding or disposing of, and/or dealing in the Shares (or exercising rights attached thereto). None of us, the Sole Sponsor, the Sole Representive, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Underwriters, any of our or their respective directors, officers, employees, agents, representatives or professional advisors or any of them, or any other person or party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of, any person resulting from the subscription to, purchase, holding or disposal of, dealing in, or the exercise of any rights in relation to, the Shares or exercising any rights attached to them.

COMPLIANCE WITH RULE 8.02A OF THE LISTING RULES

Our Company is incorporated in Hong Kong. In respect of our Group's place of central management and control, (i) as the majority of the executive and non-executive Directors of our Company principally reside in the PRC and all our Board meetings are and will be held in the PRC and Hong Kong, our Directors primarily direct, control, and coordinate our Group's overall activities from the PRC and Hong Kong, whereas the senior management team members of Subsidiary AK and Subsidiary ZV primarily direct, control, and coordinate the activities of Subsidiary AK and Subsidiary ZV from Kazakhstan; (ii) the principal books and records of our Company are kept in Hong Kong and the PRC, whereas those of Subsidiary AK and Subsidiary ZV are kept in Kazakhstan; and (iii) our Group's business operations and assets are primarily based in the PRC and Kazakhstan. Given that the securities regulators of Hong Kong, PRC and Kazakhstan are all full signatories to the International Organization of Securities Commissions Multilateral Memorandum of Understanding, we believe we will be in compliance with Rule 8.02A of the Listing Rules.

SHARE REGISTER AND STAMP DUTY

All Shares issued pursuant to applications made in the Hong Kong Public Offering will be registered on the Company's share register of members to be maintained in Hong Kong by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

Dealings in the Shares registered in our register of members will be subject to the Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice. Unless otherwise determined by our Board, dividends will be paid to Shareholders whose names are listed on our register of members in Hong Kong, by ordinary post, at the Shareholders' risk in Hong Kong dollars.

In connection with the AIX Offering, the Shares issued under the AIX Offering will be registered in AIX Registrar and will also be deposited with the AIX CSD for the purposes of their trading on the AIX. Only Shares registered on our Company's share register of members maintained in Hong Kong may be traded on the Stock Exchange. Shares registered on our Company's branch register of members maintained by AIX Registrar may be traded on the AIX.

EXCHANGE RATE CONVERSION

Solely for your convenience, this prospectus contains translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the amounts denominated in one currency could actually be converted into the amounts denominated in another currency at the rates indicated or at all. Unless indicated otherwise, (i) the translations between Renminbi and U.S. dollars were made at the rate of RMB7.1405 to US$1.00, being the PBOC rate prevailing on August 11, 2025; (ii) the translations between Hong Kong dollars and Renminbi were made at the rate of RMB0.90964 to HK$1.00, being the PBOC rate prevailing on August 11, 2025; and (iii) the translations between U.S. dollars and Hong Kong dollars were made at the rate of US$1.00 to HK$7.8498, calculated with reference to the above two rates as set out in (i) and (ii).

LANGUAGE

If there is any inconsistency between this prospectus and the Chinese translation of this prospectus, this prospectus shall prevail. However, the translated English names of the PRC and foreign nationals, entities, departments, facilities, certificates, titles, laws, regulations (including certain of our subsidiaries) and the like included in this prospectus and for which no official English translation exists are unofficial translations for your reference only. If there is any inconsistency, the names in their original languages shall prevail.

ROUNDING

Any discrepancies in any table in this prospectus between total and sum of amounts listed therein are due to rounding. Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments or have been rounded to one or two decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

For further information on our Directors, please refer to the section headed "Directors and Senior Management" of this prospectus.

DIRECTORS

Name	Address	Nationality
Chairman of the Board and Executive Director		
Mr. LIU Liqiang (劉力強先生)	Flat C, Floor 19 The Grandeur 47 Jardine's Bazaar Causeway Bay Hong Kong	Chinese (Hong Kong)
Executive Directors		
Mr. WANG Zhongwei (汪中偉先生)	No. 8, Building 7, the temporary camp of the Boguty Project 41 kilometers away from Sogentin Imbekos Kazakh Region, Almaty Oblast Kazakhstan	Chinese
Mr. QIU Huaizhi (邱懷智先生)	3502, North Zone (Phase II) Jing Ji Riverfront Times Square South Binhe Avenue, Futian Street Futian District Shenzhen, Guangdong Province PRC	Chinese
Non-executive Directors		
Mr. ZHA Kebing (查克兵先生)	Room 302, Unit 1, Building 35 Zhongxing Heyuan No. 668 Aixihu North Road High-tech Development District Nanchang, Jiangxi Province PRC	Chinese
Ms. LIAN Jie (連潔女士)	Room 1508, Building 9 Madian South Village Xicheng District, Beijing PRC	Chinese

Name	Address	Nationality
Independent Non-executive Directors		
Mr. ZHU Guoshan (朱國山先生)	Room 2901, Building 4 Yayun Garden (Phase I) Xishan District Kunming, Yunnan Province PRC	Chinese
Mr. WANG Jianfeng (王劍鋒先生)	Flat A, 10/F, Tower 22B Broadwood Road The Leighton Hill Happy Valley Hong Kong	Chinese
Mr. WONG Hok Bun Mario (黃學斌先生)	Flat A, 11/F Honiton Building, 8 Honiton Road Mid-Levels Hong Kong	Chinese (Hong Kong)

PARTIES INVOLVED IN THE GLOBAL OFFERING

Sole Sponsor, Sole Representative and Sole Sponsor-Overall Coordinator	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
Overall Coordinators	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong **China Galaxy International Securities (Hong Kong) Co., Limited** 20/F, Wing On Centre 111 Connaught Road Central Hong Kong

Joint Global Coordinators	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	China Galaxy International Securities (Hong Kong) Co., Limited 20/F, Wing On Centre 111 Connaught Road Central Hong Kong
Joint Bookrunners	**China International Capital Corporation Hong Kong Securities Limited** 29/F, One International Finance Centre 1 Harbour View Street Central Hong Kong
	China Galaxy International Securities (Hong Kong) Co., Limited 20/F, Wing On Centre 111 Connaught Road Central Hong Kong
	CMB International Capital Limited 45th Floor, Champion Tower, 3 Garden Road Central, Hong Kong
	Celestial Securities Limited 22/F, Manhattan Place 23 Wang Tai Road, Kowloon Bay Kowloon, Hong Kong
	ABCI Capital Limited 11/F, Agricultural Bank of China Tower 50 Connaught Road Central Central, Hong Kong
	Tiger Brokers (HK) Global Limited 23/F, Li Po Chun Chambers 189 Des Voeux Road Central, Hong Kong

AVICT Global Asset Management Limited
Units 6704B-06A, Level 67
International Commerce Centre
1 Austin Road West, Tsim Sha Tsui, Hong Kong

Joint Lead Managers

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

China Galaxy International Securities (Hong Kong) Co., Limited
20/F, Wing On Centre
111 Connaught Road Central
Hong Kong

CMB International Capital Limited
45th Floor, Champion Tower, 3 Garden Road
Central, Hong Kong

Celestial Securities Limited
22/F, Manhattan Place
23 Wang Tai Road, Kowloon Bay
Kowloon, Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Central, Hong Kong

Tiger Brokers (HK) Global Limited
23/F, Li Po Chun Chambers
189 Des Voeux Road Central,
Hong Kong

AVICT Global Asset Management Limited
Units 6704B-06A, Level 67
International Commerce Centre
1 Austin Road West, Tsim Sha Tsui, Hong Kong

Lighthouse Capital (HK) Financial Limited
Units 1801-02, Hollywood Centre
233 Hollywood Road
Sheung Wan, Hong Kong

Capital Market Intermediaries

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

China Galaxy International Securities (Hong Kong) Co., Limited
20/F, Wing On Centre
111 Connaught Road Central
Hong Kong

CMB International Capital Limited
45th Floor, Champion Tower, 3 Garden Road
Central, Hong Kong

Celestial Securities Limited
22/F, Manhattan Place
23 Wang Tai Road, Kowloon Bay
Kowloon, Hong Kong

ABCI Capital Limited
11/F, Agricultural Bank of China Tower
50 Connaught Road Central
Central, Hong Kong

ABCI Securities Company Limited
10/F, Agricultural Bank of China Tower
50 Connaught Road Central
Central, Hong Kong

Tiger Brokers (HK) Global Limited
23/F, Li Po Chun Chambers
189 Des Voeux Road Central,
Hong Kong

AVICT Global Asset Management Limited
Units 6704B-06A, Level 67
International Commerce Centre
1 Austin Road West, Tsim Sha Tsui, Hong Kong

Lighthouse Capital (HK) Financial Limited
Units 1801-02, Hollywood Centre
233 Hollywood Road
Sheung Wan, Hong Kong

Legal advisors to our Company

As to Hong Kong and US laws
Clifford Chance
27/F, Jardine House
One Connaught Place Central
Hong Kong

As to PRC laws
Global Law Office
15&20/F, Tower 1
China Central Place
No. 81 Jianguo Road
Chaoyang District
Beijing
PRC

As to Kazakhstan laws and the acting law of the AIFC
Egen Gregory LLP
140/140a Kabanbai Batyr Street
3rd Floor
Almaty 050026
Kazakhstan

As to Hong Kong laws in respect of matters relating to the business operations of our Company in Hong Kong
H.Y. Leung & Co. LLP
Units 2202-06, 22/F
Office Tower of Convention Plaza
1 Harbour Road
Hong Kong

Legal advisors to the Sole Sponsor and the Underwriters

As to Hong Kong and US laws
Sidley Austin
Level 39, Two International Finance Centre
8 Finance Street
Central
Hong Kong

As to PRC laws
Commerce & Finance Law Offices
12-14/F, China World Tower 2
No. 1 Jianguomenwai Avenue
Beijing
PRC

As to Kazakhstan laws and the acting law of the AIFC
Haller Lomax LLP
Office 163, 16th Floor
6/1 Kabanbay Batyr Avenue
Kaskad Business Center
Astana
Kazakhstan

Auditor and reporting accountant

PricewaterhouseCoopers
Certified Public Accountants and Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
Hong Kong

Independent Technical Consultant

SRK Consulting (Hong Kong) Limited
Suite 1818, 18th Floor
V Heun Building
138 Queen's Road Central
Central
Hong Kong

Industry consultant

Frost & Sullivan Limited
Unit 3006, 30/F
Two Exchange Square
8 Connaught Place
Central
Hong Kong

Receiving bank

CMB Wing Lung Bank Limited
45 Des Voeux Road Central
Hong Kong

Registered Office, headquarters and principal place of business in Hong Kong	Room 4501, 45/F Office Tower, Convention Plaza 1 Harbour Road Wanchai Hong Kong
Company's website	www.jiaxinir.com *(Information contained in this website does not form part of this prospectus)*
Company secretary	**Ms. LIU Wenjing** *(Fellow of The Hong Kong Chartered Governance Institute)* Room 4501, 45/F Office Tower, Convention Plaza 1 Harbour Road Wanchai Hong Kong
Authorized representatives	**Mr. QIU Huaizhi** 3502, North Zone (Phase II) Jing Ji Riverfront Times Square South Binhe Avenue, Futian Street Futian District Shenzhen, Guangdong Province PRC
	Ms. LIU Wenjing Room 4501, 45/F Office Tower, Convention Plaza 1 Harbour Road Wanchai Hong Kong
Audit Committee	Mr. WONG Hok Bun Mario *(Chairman)* Mr. ZHA Kebing Mr. WANG Jianfeng
Nomination Committee	Mr. ZHU Guoshan *(Chairman)* Mr. LIU Liqiang Mr. WONG Hok Bun Mario

Remuneration Committee	Mr. WANG Jianfeng *(Chairman)* Ms. LIAN Jie Mr. ZHU Guoshan
ESG Committee	Mr. WANG Zhongwei *(Chairman)* Mr. QIU Huaizhi Ms. LIAN Jie
Compliance Advisor	**Guolian Securities International Capital Market Co., Limited** Unit 2103-4, 21st floor, Li Po Chun Chambers 189 Des Voeux Road Central Sheung Wan Hong Kong
Hong Kong Share Registrar	**Computershare Hong Kong Investor Services Limited** Shops 1712-1716 17th Floor, Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong
AIX Share Registrar	**Astana International Exchange Registrar Limited** 55/19, Mangilik El Avenue Astana Kazakhstan
Principal Bankers	**Bank of China (Hong Kong) Wanchai (China Overseas Building) Branch** 139 Hennessy Road Wanchai Hong Kong **CMB Wing Lung Bank Limited** 45 Des Voeux Road Central Hong Kong **China Merchants Bank Offshore Nanchang Yangming Branch** No. 468 Dieshan Road Nanchang, Jiangxi Province PRC

The information and statistics set out in this section and other sections of this prospectus were extracted from the Frost & Sullivan Report prepared by Frost & Sullivan, which was commissioned by us, and from various official government publications and other publicly available publications. We engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. We believe that the sources of this information are appropriate sources for such information and have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. The information from official government sources has not been independently verified by us, the Sole Sponsor, the Sole Representative, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters or any other party involved in the Global Offering and no representation is given as to its accuracy.

SOURCE AND RELIABILITY OF INFORMATION

We have commissioned Frost & Sullivan, an Independent Third Party, to conduct a study of global, China's, and Kazakhstan's tungsten industry. We agreed to pay Frost & Sullivan a fee of HK$548,000 for the preparation of the Frost & Sullivan Report, and our Directors consider that such fee reflects market rates and are of the view that the payment of the fee does not affect the fairness of conclusions drawn in the Frost & Sullivan Report. Founded in 1961, Frost & Sullivan has over 45 global offices with more than 3,000 industry consultants, market research analysts, technology analysts and economists.

RESEARCH METHODOLOGY

During the preparation of the Frost & Sullivan Report, Frost & Sullivan conducted primary research that involved discussing the status of the industry with industry participants and industry experts, as well as secondary research that involved reviewing company reports, independent research reports and Frost & Sullivan's own database.

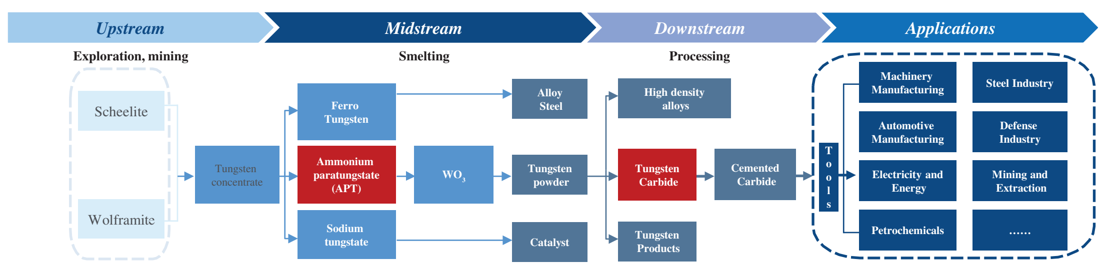
BASIS AND ASSUMPTION

The Frost & Sullivan Report was compiled based on the following assumptions: (i) China's and the overseas economy is likely to maintain steady growth in the next decade; (ii) China's social, economic, and political environment is likely to remain stable in the forecast period; (iii) market drivers such as rare non-ferrous metal tungsten resources and continuously innovative mining technology, increasing demand for tungsten from downstream industries, advanced technology in mineral processing and metallurgy, improved tungsten utilization efficiency driven by intelligent technology, and favored policies by both Chinese and Kazakh governments are likely to drive the global, China's, and Kazakhstan's tungsten industry.

GLOBAL, CHINA'S AND KAZAKHSTAN'S TUNGSTEN INDUSTRY OVERVIEW

Tungsten is a scarce strategic resource, and the Chinese government controls tungsten and rare earths as strategic materials, issuing quota targets to each Chinese producer every year. Tungsten is a rare refractory metal with a series of excellent and unique properties such as high melting point, high density, high hardness, strong wear resistance, strong corrosion resistance, good thermal conductivity, good electrical conductivity, and stable chemical properties. Due to the rarity of tungsten resources in the world, its irreplaceability in industrial applications, and its increasing importance in the national economy, national defense construction, and high-tech industries, its strategic position is prominent.

Value Chain of Tungsten Industry



Source: Frost & Sullivan

The tungsten industry chain extends from exploration and mining, smelting to processing and end-use of tungsten products. The upstream of the industry chain includes the exploration and extraction of scheelite and wolframite. The midstream of the industry chain is the smelting of ore, which yields tungsten concentrate, ammonium paratungstate (APT), tungsten oxide and other products. The downstream of the industry chain is the deep processing of tungsten, which produces products such as tungsten carbide and cemented carbide. The tungsten products are widely used in machinery manufacturing, new resources, defense industry and other fields.

Global tungsten primary end products are mainly used in the production of carbide. In machinery manufacturing, carbide tools have both strength and toughness to achieve excellent overall performance, and dominate the main base material for cutting tools. At the same time, because of its high precision, high hardness and high wear resistance, carbide tools are also the dominant material for inserting computer numerical control and pairing computer numerical control of machine tool operating characteristics. In terms of new resources, due to its high hardness, good wear resistance, strong corrosion resistance, high precision and other properties, carbide products are also widely used in photovoltaic and new energy vehicle industry. In the defense industry, due to its properties such as high hardness, high wear resistance, high temperature resistance and high strength, cemented carbide can be used in missile manufacturing for high temperature parts such as warheads and shells, as well as components such as control systems and fuzes for missiles. Carbide tungsten carbide is also in demand in the aerospace industry and military industry and other fields. With the development of the downstream application industries, there will naturally be a positive impact on the upstream and midstream as well, prompting an increase in upstream tungsten mining activities and promoting the smelting and processing of midstream such as tungsten trioxide and tungsten powder.

APT and tungsten carbide powder hold an important position in the value chain of tungsten industry. APT is an advanced atomic probe technology used in materials research and development, nanomaterials research, and metal alloy research. The importance of tungsten carbide powder is mainly in the preparation of super hard materials, electronic industry applications, high temperature materials and so on. With the increase in demand for downstream carbide, it will have a positive impact on the demand for APT and tungsten carbide powder, providing stable demand for the Company's future performance.

At present, China is the world's largest tungsten resource country, mainly possessing two types of wolframite (manganese and iron tungstates) and scheelite (calcium tungstate ore). According to Frost & Sullivan, the global reserve volume of tungsten in 2024 was approximately 4.6 million tonnes. In 2024, China had tungsten resource reserves of 2.4 million tonnes, accounting for over 50% of the world's reserves, and its mine tungsten production is also world-leading.

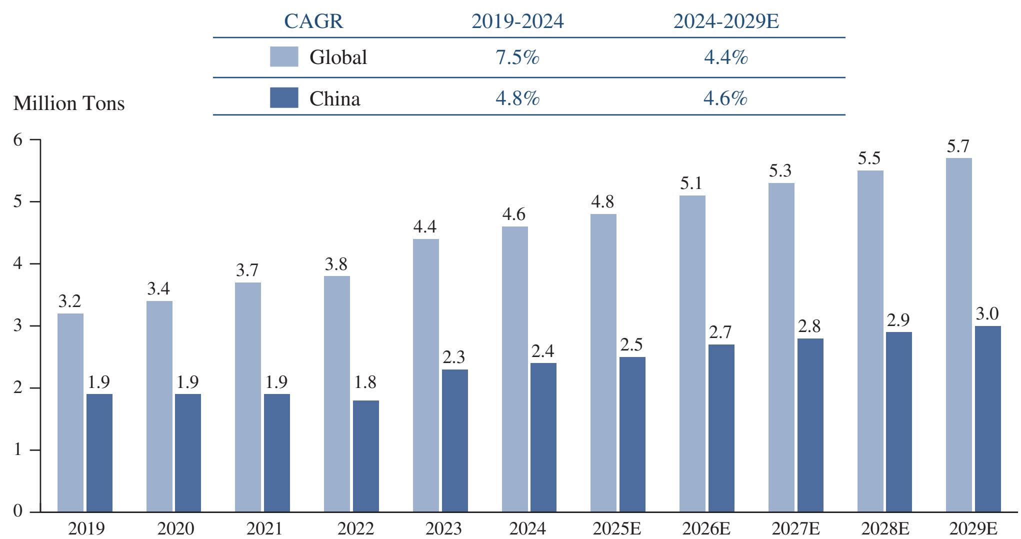
MARKET SIZE OF GLOBAL AND CHINA'S TUNGSTEN INDUSTRY

The global distribution of tungsten ore resources is uneven, with most of the tungsten reserves located in China, Russia, Kazakhstan and other regions. Most of the mega-large deposits are located in important metallogenic belts, and the top five tungsten mines in the world in 2024 were Dahutang tungsten mine and Shizhuyuan tungsten mine in China, Hemerdon tungsten mine in the UK, Boguty tungsten mine in Kazakhstan and Sisson tungsten mine in Canada. Generally, there are three major indicators in global tungsten industry: reserve volume which is measured by volume of metal tungsten; mineral resources which are measured by tungsten trioxide (WO_3); and designed production capacity which is measured by volume of tungsten concentrates.

The reserve volume of tungsten is relatively stable. The global reserve volume of tungsten increased from 3.2 million tonnes in 2019 to 4.6 million tonnes in 2024 with a CAGR of 7.5%. With a stable exploration of different tungsten ores in various countries, the global reserve volume of tungsten is expected to reach 5.7 million tonnes in 2029, representing a CAGR of 4.4% from 2024 to 2029.

China was the largest country in terms of the reserve volume of tungsten in 2024 and it accounted for over 50% of the global reserve volume. China's reserve volume fluctuated between 2019 and 2024 and the reserve volume was 2.4 million tonnes in 2024. In the future, China's reserve volume of tungsten is expected to experience a slight growth, reaching 3.0 million tonnes in 2029, representing a CAGR of 4.6% from 2024 to 2029.

Reserve Volume of Tungsten (Global & China), 2019—2029E



Source: Frost & Sullivan

Note:

(1) According to the U.S. Geological Survey (USGS), reserve volume refers to the part of the reserve base that could be economically extracted or produced at the time of determination. The term "reserve volume" does not signify that extraction facilities are in place and operative. Reserve volume includes only recoverable materials; thus, terms such as "extractable reserves" and "recoverable reserves" are redundant and are not a part of this classification system.

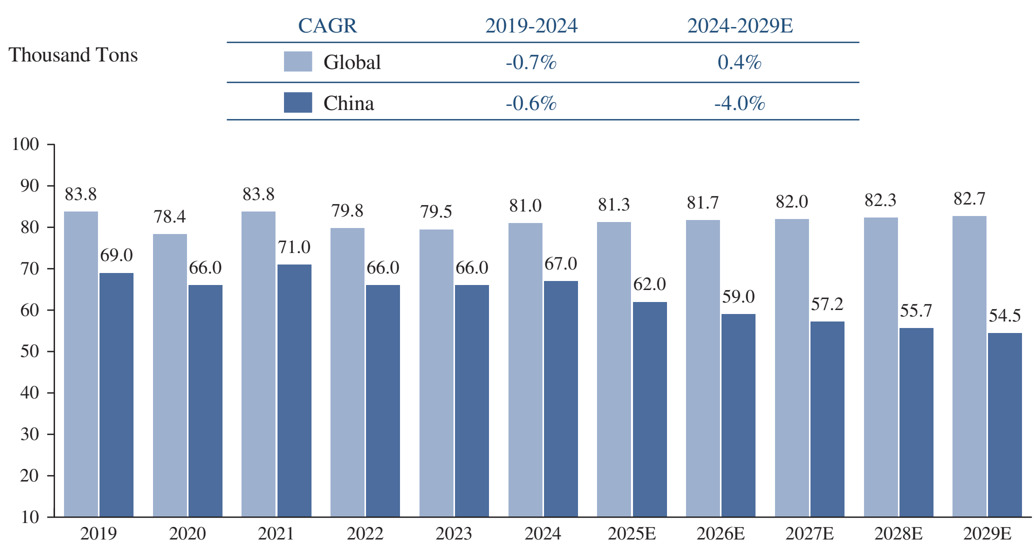
(2) Reserve volume of tungsten refers to reserve volume of metal tungsten.

The production volume of tungsten concentrate significantly depends on the production in China since China's production volume took over 80% of the global production volume of tungsten concentrate in 2024. The global production volume dropped significantly in 2020 mainly due to the outbreak of COVID-19, which caused many enterprises to temporarily shut down their business. With the ease of COVID-19's impact, the global production volume started to bounce back and increased to 83.8 thousand tonnes in 2021. Looking forward, with new technologies for better mining efficiency and the reopening of mines in Australia, Korea, and the United Kingdom, the global production volume is expected to reach 82.7 thousand tonnes in 2029, with a CAGR of 0.4% from 2024 to 2029.

China was the largest country in terms of the production volume of tungsten concentrate in 2024. To protect national reserves, the Ministry of Natural Resources of China has been issuing an annual quota for tungsten concentrate mining ("開採總量控制指標") every year. These quotas have been effective since 2002. China's 2024 tungsten concentrate mining quota was set at 114 thousand tonnes of tungsten concentrates. Since China's government imposed restricted quotas on mining of tungsten concentrate and the relatively low rate of operation in previous years, China's production volume of tungsten concentrate decreased from 69 thousand tonnes in 2019 to 67 thousand tonnes in 2024 at a CAGR of -0.6%. According to a notice from

China's Ministry of Natural Resources in 2025, the first batch of total restricted quota (65% tungsten trioxide content) in 2025 was 58,000 tons, a year-on-year decrease of 6.5%. As a result, the market expects domestic tungsten concentrate production to reach 54.5 thousand tonnes in 2029, with a CAGR of -4.0% from 2024 to 2029. The comparable range of average operating cash unit cost is around RMB50,000 to RMB80,000 per ton concentrate. This price range has considered the operating cash unit cost of RMB50,000 of the Nui Phao mine, an open-pit tungsten mine located in Vietnam, as well as the operating cash unit cost of RMB80,000 of the La Parrilla mine, an open-pit tungsten mine in Spain. The difference of the operating cash unit costs between the Nui Phao mine and the La Parrilla mine is mainly due to the level of economic development. For example, the per capita GDP in Spain was around USD32.7 thousand compared to per capita GDP of USD4.3 thousand in Vietnam. As such, according to Frost & Sullivan, such range is applicable and comparable to the Company and the Company's operating cash unit cost is in line with the market comparables.

Production Volume of Tungsten Concentrate (Global & China), 2019—2029E



Source: USGS, Ministry of Natural Resources of the PRC, Frost & Sullivan

Note: Production volume of tungsten concentrate refers to production volume of metal tungsten.

Due to the natural characteristics of tungsten and the wide utilization of tungsten in different fields, the consumption volume of tungsten concentrate increased from 98.0 thousand tonnes in 2019 to 129.6 thousand tonnes in 2024, with a CAGR of 5.7%. Looking forward, with the increasing use of tungsten in fast-growing downstream markets, such as the photovoltaic (PV) industry which also consume large amounts of tungsten, the consumption volume of tungsten concentrate is expected to reach 158.2 thousand tonnes in 2029, with a CAGR of 4.1%.

China's consumption volume of tungsten concentrate increased from 47.3 thousand tonnes in 2019 to 55.3 thousand tonnes in 2024, representing a CAGR of 3.2%. Going forward, with the continuous development of technologies and demand for tungsten, especially for cemented carbide products, the consumption volume of tungsten concentrate in China is expected to reach 65.5 thousand tonnes in 2029, with a CAGR of 3.4%. With the steady growth of the economy in China, consumption of tungsten concentrate in various industries also keeps growing. Compared with other materials, tungsten has more compelling competitive advantages, leading to the rapid development of tungsten market. For example, tungsten is often made into cemented carbide products, which are widely used in aerospace industry, military industry, and PV (photovoltaic) industry and many other industries. Tungsten and tungsten wires can be used for producing materials with hardness, wear resistance, and high corrosion resistance. With foreseeable expansion of production and large-scale application, the cost performance ratio of tungsten wire will be higher than carbon diamond wire and it is going to be a reliable alternative product in PV Industry. Meanwhile, because of the stagnation of industrial production caused by the COVID-19 epidemic in 2022, there is a small reduction in the tungsten concentrate consumption in China. Before 2022, the consumption of tungsten concentrate has increased steadily with a CAGR of 5.9% from 2019 to 2021. In the foreseeable future, along with continuous demand from downstream industries, the CAGR growth of consumption of tungsten concentrate in China is expected to be approximately 3.4% from 2024 to 2029.

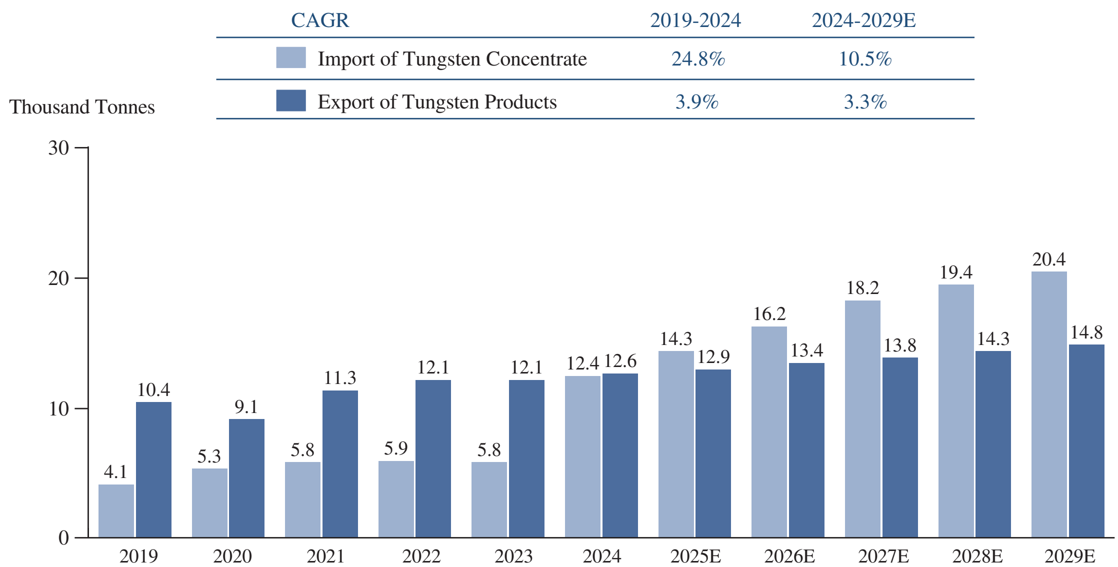
China's tungsten concentrate export restriction policy was implemented to protect domestic tungsten resources and ensure its sustainable supply. In recent years, with the gradual depletion of China's tungsten resources and increased awareness of environmental protection, the Chinese government has adopted a series of measures to restrict tungsten concentrate exports. According to Ministry of Commerce of the People's Republic of China, Enterprises need to be qualified to export tungsten ore, and the Ministry of Commerce discloses which enterprises can export every year. Upon review, there are 15 enterprises that are qualified and meet the announcement requirements in 2024. China has significant smelting and processing capacity for tungsten products, but it has issued an annual quota of domestic tungsten concentrate production to protect tungsten resources. Therefore, China becomes a major importer of tungsten concentrate and exports a substantial quantity of tungsten products after smelting and processing. Due to the continuous development of China's tungsten processing industry and tungsten smelting technology, China's tungsten export has gradually shifted from primary tungsten products, such as tungsten trioxide, tungsten carbide, to downstream products with high production value-added, such as cemented carbide. China was the largest country in terms of the production volume of tungsten concentrate in 2024. Meanwhile, China is also a major supplier of tungsten products in 2024 in terms of export volume of tungsten products. In 2024, China's export of tungsten products accounts for about 40% of world consumption outside of China. The export volume of tungsten downstream products has increased from approximately 10.4 thousand tonnes in 2019 to 12.6 thousand tonnes in 2024 and is projected to increase to approximately 14.8 thousand tonnes in 2029. Tungsten is considered an important strategic mineral and China has stockpiled a portion of its tungsten concentrate production each year during the historical period. Therefore, although during the historical period China produced more tungsten concentrate than it consumed, it didn't use all of the tungsten concentrate it produced for the production of tungsten products, and imported an increasing volume of tungsten concentrate to meet its consumption demand. Also, due to China's generally decreasing domestic tungsten concentrate production and generally increasing domestic tungsten concentrate consumption, the surplus between China's domestic production and consumption of tungsten concentrate has been narrowing and it is expected to turn to a shortfall in around 2026, leading to a further increase in import demand for tungsten concentrate. Furthermore, as China has significant demand for domestic consumption of tungsten concentrate and export of tungsten products that made of tungsten concentrate, the import of tungsten concentrate is projected to increase from 12.4 thousand tonnes in 2024 to 20.3 thousand tonnes in 2029. Thus, there will be a strong demand in China for tungsten concentrate imported from Kazakhstan in the future.

The table below sets forth the supply and demand of tungsten concentrate and tungsten products in China for the years indicated:

	Unit	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E
Export Volume of Tungsten Products	Thousand Tonnes	10.4	9.1	11.3	12.1	12.1	12.6	12.9	13.4	13.8	14.3	14.8
Production Quota of Tungsten Concentrate	Thousand Tonnes	105.0	105.0	108.0	111.0	111.0	114.0	114.0	117.0	117.0	117.0	117.0
Production Volume of Tungsten Concentrate	Thousand Tonnes	69.0	66.0	71.0	66.0	66.0	67.0	62.0	59.0	57.2	55.7	54.5
Consumption Volume of Tungsten Concentrate	Thousand Tonnes	47.3	47.5	53.0	52.3	53.2	55.3	57.9	60.0	61.9	63.6	65.5
Production Volume of Tungsten Concentrate minus Consumption Volume of Tungsten Concentrate	Thousand Tonnes	21.7	18.5	18.0	13.7	12.8	11.7	4.1	(1.0)	(4.7)	(7.9)	(11.0)
Import Volume of Tungsten Concentrate	Thousand Tonnes	4.1	5.3	5.8	5.9	5.8	12.4	14.2	16.1	18.1	19.3	20.3

Source: China Tungsten Industry Association, Ministry of Natural Resources of the PRC, Frost & Sullivan

Export of Tungsten Products and Import Volume of Tungsten Concentrate (China), 2019 – 2029E

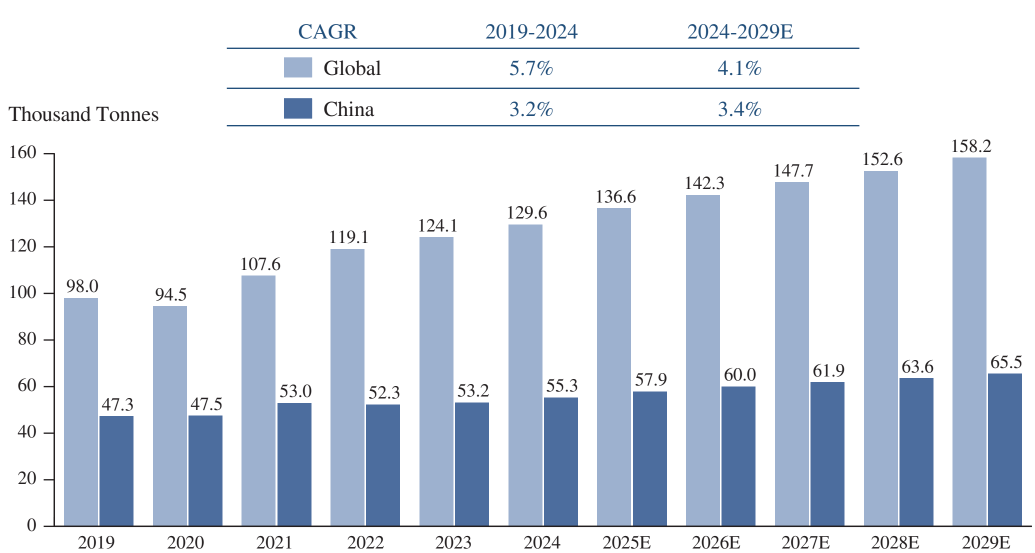


Source: China Tungsten Industry Association, Frost & Sullivan

Note:

(1) Export volume of tungsten products refer to tungsten products that use tungsten concentrate as raw material.

Consumption Volume of Tungsten Concentrate (Global & China), 2019—2029E



Source: Ministry of Natural Resources of the PRC, Frost & Sullivan

Note: Consumption volume of tungsten concentrate refers to consumption volume of metal tungsten.

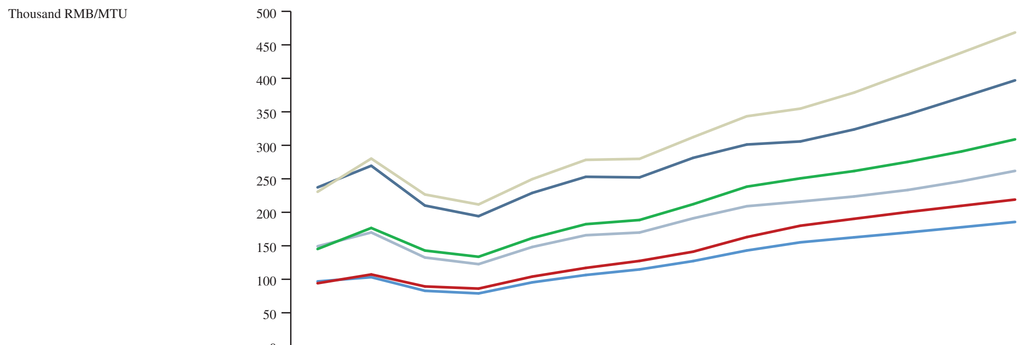
In China, which is the largest producer and consumer of tungsten in the world, the price of tungsten concentrate often reflects domestic policies and downstream consumption demand. The Chinese government's environmental regulations and mining policies have a direct impact on the supply of tungsten, leading to fluctuations in prices. Additionally, changes in demand from key industries like aerospace, automotive, and electronics in China can also drive price movements.

On a global scale, tungsten prices are influenced by a broader set of factors. The price fluctuation of tungsten concentrate in China and globally carries implications for various industries and economies worldwide. Tungsten is a critical metal known for its exceptional hardness and high melting point, making it indispensable in a range of applications, especially in manufacturing, aerospace, defense, and electronics. Tungsten is not as abundant as other metals, and its production is concentrated in a few countries. Any disruptions in the supply chain, such as mining issues or geopolitical tensions, can lead to price spikes. The global supply of tungsten concentrate is concentrated in a few key producing countries like China, Russia, and Canada. Disruptions in production due to geopolitical tensions, natural disasters, or labor strikes can lead to price spikes. Moreover, the demand for tungsten is closely tied to global economic conditions. During periods of economic growth, industries that rely on tungsten, such as manufacturing and construction, drive up demand and consequently prices. The price of APT in China and globally has fluctuated in the past but generally showed an upward trend from 2017 to 2024. APT is an important material in the tungsten smelting industry and is mainly used to manufacture WO_3 or blue tungsten oxide to make tungsten metal powder, thus manufacturing tungsten material, tungsten alloy and other products. Since the production of tungsten concentrate, the raw material for manufacturing APT, is restricted, there has been an increased pressure on the production of APT in China, causing the price of APT to continue to rise, which has also led to an increase in the price of the downstream product, the tungsten carbide powder.

From the beginning of 2017 to the mid of 2018, the price of APT in China increased due to the stricter government regulation in China on environmental protection. In the meantime, the price of tungsten carbide powder and tungsten concentrate also increased. In 2020, due to the shortage of the global supply and the constraints of energy resources, the price of APT increased during that period of time as well.

Looking forward, as the world economy gradually recovers from the COVID-19, tungsten downstream market demand is expected to gradually recover, and the demand for APT, tungsten carbide powder and tungsten concentrate is expected to continue to grow. In this case, prices in China and globally are expected to grow again in the short term and show a upward trend in the long term.

Price of APT, Tungsten Carbide Powder and Tungsten Concentrate (Global and China), 2017—2030E



	2017	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E	2028E	2029E	2030E
Global-APT	149.3	169.9	132.5	122.6	148.2	165.8	169.8	191.0	209.1	216.1	223.6	233.3	246.4	261.8
Global-Tungsten Carbide Powder	237.2	269.5	210.1	194.2	228.9	253.0	252.1	281.3	301.2	305.8	323.7	346.1	371.4	397.0
Global-Tungsten Concentrate	96.8	103.1	82.8	78.9	95.4	106.4	114.7	127.2	143.0	155.2	162.6	169.9	117.7	185.6
China-APT	145.2	176.6	142.9	133.6	161.5	182.3	188.5	212.1	238.3	250.7	261.6	275.3	290.8	308.9
China-Tungsten Carbide Powder	230.6	280.2	226.6	211.7	249.5	278.3	279.8	312.2	343.4	354.8	378.7	408.4	438.3	468.5
China-Tungsten Concentrate	94.1	107.2	89.3	86.1	104.0	117.0	127.4	141.2	163.0	180.0	190.3	200.4	209.7	219.0

Source: Frost & Sullivan

COMPETITIVE LANDSCAPE OF GLOBAL, CHINA'S AND KAZAKHSTAN'S TUNGSTEN INDUSTRY

The Group's Boguty mine was the fourth largest single tungsten mine globally with 0.23 million tonnes mineral resources, and ranked the first in terms of designed production capacity. Boguty tungsten mine, which is a world-class large open-pit tungsten mine, was the largest tungsten mine under development outside China as of December 31, 2024.

Ranking of Leading Mines in Terms of Mineral Resources (Global), as of December 31, 2024

Rank	Tungsten Mine	Location	Mineral Resources (Million tons) 2024	WO_3 (%)	Mining Method	Designed production capacity (Thousand tons) 2024	Statuses
1	Mine A	Jiangxi, China	1.22	0.16%	Underground	~8.0	In development
2	Mine B	Hunan, China	0.62	0.31%	Underground	~7.8	In development
3	Mine C	Devon, UK	0.36	0.17%	Underground	Estimate ~2.9	Undeveloped
4	**The Group's Boguty Mine**	**Boguty , Kazakhstan**	**0.23**	**0.21%**	**Open pit**	**Estimate 9.3**	**In development**
5	Mine D	*Vancouver, Canada*	0.22	0.07%	Open pit	~4.6	Undeveloped

Source: Independent Technical Report, Data of the Company is provided by the Company, USGS, Frost & Sullivan

Notes:

(1) Designed production capacity refers to the processing capacity of tungsten concentrate per year.

(2) Mineral resources refer to Mineral resources of WO_3.

The Group was the fourth largest tungsten company globally with mineral resources of 0.23 million tonnes.

Ranking of Leading Players in Terms of the Mineral Resources (Global), as of December 31, 2024

Rank	Company	Identities or Background	Mineral Resources (Million tons) 2024
1	Company A	*Established in 1997 and headquartered in Fujian, this company is a listed company on the Shanghai Stock Exchange. This company focuses on three core businesses: tungsten and molybdenum, rare earths, and lithium battery materials, and also engages in real estate development.*	1.59
2	Company B	*Established in 1950 and headquartered in Beijing, this company owns a total of eight listed subsidiary companies. This company is engaged in the production and trading of metals and minerals, including copper, aluminum, tungsten, tin, antimony, lead, zinc, and nickel.*	1.23
3	Company C	*Established in 2018 and headquartered in UK , this company is a listed company on London Stock Exchange. This company is a mining development company focused on world-class tungsten and tin mine on the outskirts of Plymouth.*	0.36
4	**The Group**	/	**0.23**
5	Company D	*Established in 2010 and headquartered in Vancouver, this company is a listed company on Toronto Stock Exchange. It holds an 88.5% controlling interest and is the operator of one Tungsten-Molybdenum Project in New Brunswick.*	0.22

Source: Independent Technical Report, Data of the Company is provided by the Company, USGS, Frost & Sullivan

Note:

(1) Mineral resources refer to Mineral resources of WO_3.

(2) Company A is a listed company on SHSE which was established in 1997 and headquartered in Xiamen, Fujian Province, China. The company involved in fields such as tungsten, molybdenum, rare earths, new energy materials, and real estate. The company has a complete tungsten and rare earth industry chain, with an annual revenue of RMB40 billions.

(3) Company B is a company which was established in 1950. This company focuses on metal minerals as the core business and owns several listed subsidiaries on SHSE, SZSE, HKEX. The company headquartered in Beijing, China and is a member of the Fortune 500. The company covers mining business including copper, zinc, lead, antimony and other resources and has over 30 domestic and foreign mines in Asia, Oceania, South America, and Africa.

(4) Company C is a listed company on London Stock Exchange and was established in 2018 and headquartered in UK. The company focuses on mining development and restarting mine that has been suspended mining operations. The company also own one of the largest tungsten resource in the world.

(5) Company D is a listed company on Toronto Stock Exchange and was established in 2010 and headquartered in Vancouver, British Columbia, Canada. The Company is primarily engaged in the acquisition and development of mineral properties and holds a major economic interest in a Tungsten and Molybdenum Project located in Canada.

MARKET DRIVERS ANALYSIS OF GLOBAL, CHINA'S AND KAZAKHSTAN'S TUNGSTEN INDUSTRY

The rarity of Non-ferrous Metal Tungsten Resources and Continuously Innovative Mining Technology: Tungsten is a rare material with a high melting point, high density, high hardness, strong wear resistance, stable chemical performance, and other excellent characteristics. Tungsten products are usually used in various fields such as machinery manufacturing, power resources, and defense industry. The reserve volume of tungsten increased from approximately 3.2 million tons in 2019 to 4.6 million tons in 2024, representing a CAGR of 7.5%. In 2024, the global tungsten production was approximately 81,000 tons and the global tungsten consumption was about 129,600 tons, leading to a gap of up to 48,600 tons, reflecting the scarcity of tungsten resources and strong demand. Although the world's tungsten resources are geographically widespread, China currently ranks first in terms of tungsten resources and reserves, accounting for over 50% of the world's tungsten resources and reserves. China implements total mining index for tungsten to control its mining i.e., the state departments uniformly plan and allocate the tungsten resources mining indexes for various regions. Besides, Canada, Kazakhstan, and Russia also have relatively abundant resources of tungsten. With the advancement of technology and the continuous growth of reserves, in order to match the relatively scarce tungsten resources, tungsten production and steadily rising tungsten consumption, continued innovation in mining technology will become a major factor in the growth and development of the tungsten industry.

Increasing Demand for Tungsten from Downstream Industries: With the steady growth of the world economy, tungsten consumption in various industries also keeps growing, and the global tungsten consumption is expected to reach 158,200 tons by 2029. Tungsten is often made into cemented carbide products, which are widely used in aerospace industry, military industry, and PV (photovoltaic) industry and many other industries. Tungsten and tungsten wires can be used for producing materials with hardness, wear resistance, and high corrosion resistance. With foreseeable expansion of production and large scale application, the cost performance ratio of tungsten wire will be higher than carbon diamond wire and it is going to be a reliable alternative product in photovoltaic Industry. In addition, tungsten carbide tools are widely used in computer numerical control (CNC) machine tooling. CNC machine tools require tools with high hardness, wear resistance and high temperature resistance to meet the demands of high speed cutting and heavy load machining. Tungsten, as one of the main components of Cemented Carbide, can provide excellent hardness and wear resistance, making the tool more durable and longer life. In addition, Carbide drills are a common industrial cutting tool used for drilling holes in metals, wood, plastics and other materials. Tungsten carbide particles give tungsten carbide drills high hardness and wear resistance, enabling them to cut effectively at high rotational speeds and under heavy loads. Moreover, tungsten carbide drills offer good cutting stability and long service life for a variety of drilling applications. Compared with other materials, tungsten has more compelling competitive advantages, leading to the rapid development of tungsten market.

Advanced technology in Mineral Processing and Metallurgy: In the direction of tungsten smelting technology, before 1980s, soda sintering, hydrochloric acid decomposition (for high-quality scheelite concentrate), soda pressure cooking, NaOH decomposition were the main commonly used tungsten ore decomposition processes globally. From the early 1980s to the end of the 1990s, the revolutionary breakthrough was made in NaOH decomposition method represented by hot ball milling (mechanically activated) and alkali pressure cooking. Since then, almost all tungsten minerals have been treated by NaOH decomposition method. In recent years, the development of sulfur and phosphorus mixed acid synergistic leaching technology of scheelite has realized the decomposition of tungsten minerals at atmospheric pressure. With the development of mineral processing and metallurgy technology, enterprises continue to increase technological research, improve the utilization rate of mineral resources, upgrade automated processes, and reduce energy costs. Furthermore, advancements in mining and processing technologies have improved the efficiency and cost-effectiveness of tungsten extraction, making it an attractive market for investors.

Improved Tungsten Utilization Efficiency Driven by Intelligent Technology: Tungsten is a scarce, non-renewable and strategic resource worldwide. Therefore, the recycling of tungsten is also important. With the widespread adoption of intelligent mining and smart mineral processing, the overall utilization rate of tungsten has been increasing in the past few years. Enterprises can now mine tungsten more efficiently and safely with the adoption of intelligent technologies. A set of intelligent systems can track the status of tungsten mines or ores 24/7 to ensure safety and productivity, therefore improve the overall utilization of tungsten. Therefore, the intelligent technologies available in the industry are one of the main drivers of the tungsten market.

Favored Policies by Both Chinese and Kazakhstani Governments: In 2022, Kazakhstan and China celebrated the 30th anniversary of diplomatic relations. Over the past 30 years, the two countries have established a permanent comprehensive strategic partnership, laying a solid foundation for strengthening good neighborly relations and further deepening mutually beneficial cooperation. Kazakhstan is the first country where “The Belt and Road Initiative” (“一帶一路”) was initiated. China and Kazakhstan have achieved great results in the process of building “The Belt and Road Initiative” and approximately 45 production capacity cooperation projects have been established between the two countries. China and Kazakhstan signed the “Cooperation Outline on Docking the Silk Road Economic Belt Construction and the New Economic Policy of the “Bright Road”” (“關於“絲綢之路經濟帶”建設與“光明之路”新經濟政策對接合作規劃”). In the list of Sino-Kazakh cooperation projects, investment in the oil and gas sector accounts for about half, and the rest is distributed in industries such as mining and ore processing, machinery manufacturing, energy, and food production. Building “The Belt and Road Initiative” injects new vitality into Sino-Kazakh cooperation and promotes the synergistic development effect of the tungsten mining industry at the policy level. Under the Belt and Road Initiative, the Boguty tungsten mine project serves as a key venture in the capacity cooperation framework between China and Kazakhstan, providing a platform for joint exploration and development cooperation among China and Central Asian countries. In addition, the Kazakhstani Government has also issued a number of favorable regulations and plans beneficial to the mining industry. For instance, "Strategy Kazakhstan 2050" is a strategic plan issued by the government in 2012 to define new markets in which Kazakhstan can form productive partnerships and create a favorable investment environment. Since China has already established a long-term partnership with Kazakhstan, these favorable policies provide a friendly environment for Chinese enterprises to operate in Kazakhstan and promote the development of the tungsten industry in both China and Kazakhstan. In addition, mining is the mainstay of Kazakhstan national economy. In 2024, Kazakhstan mining industry accounted for approximately 50% of total industrial output.

In May 2020, the Kazakhstan government approved the implementation of the "2020-2025 National Geological Exploration Plan", aiming to further strengthen geological exploration in various mineral resource-rich regions such as East Kazakhstan Province and Karaganda Province to ensure an increase in mineral resource reserves. Additionally, Kazakhstan continues to expand international mining investment cooperation. Since 2020, it has held discussions with governments and enterprises from countries including Canada, Hungary, Russia, the United States, and Germany, further consolidating and expanding mining cooperation.

FUTURE TRENDS ANALYSIS OF GLOBAL, CHINA'S AND KAZAKHSTAN'S TUNGSTEN INDUSTRY

Trends and Opportunities

Innovation in Tungsten Waste Recycling and Reuse: Currently, most leading enterprises in tungsten industry can complete the preparation and mining process of tungsten. However, to achieve a better result in utilizing global tungsten resources, leading enterprises not only need to mine tungsten resources, but also need to recycle and reuse tungsten waste. Leading enterprises are expected to innovate a low-cost but high-efficiency method to recycle tungsten waste. As the growth of tungsten resources slows down, leading enterprises are paying more attention to recycling and reusing tungsten waste instead of simply consuming tungsten resources. Currently, around 75% of global tungsten supply comes from primary tungsten, only the remaining 25% comes from recycled tungsten. Although the initial investment in advanced technology is relatively high, the technology can significantly improve the efficiency of recycling and reuse of tungsten resources, thereby gradually reduce the operational cost of mining enterprises. Due to the strategic position and scarcity of tungsten, many leading enterprises attach great importance to the recycling of tungsten waste. In recent years, the supply share of recycled tungsten has been increasing and it will continue to be the development trend of the tungsten industry in the future.

Technology Upgrades Bring More Tungsten Applications: With the upgrading of technologies, leading enterprises are able to produce more refined products. Take China as an example, some of the leading tungsten enterprises have introduced advanced technology and equipment to implement technology absorption, transformation, independent research and development and achieved localization of some key equipment such as spray drying and gas pressure sintering. In the future, with the continuous improvement of the technologies in the tungsten industry, the deep processed tungsten products of some leading enterprises are expected to include more specifications in terms of thickness, width, length, density, etc. These advanced tungsten products will gradually develop towards high performance, high precision, and high added value. Therefore, technological upgrading is an opportunity for large enterprises to strive for in the future.

Sustainable Mining Practices: There will be an increased focus on sustainable mining practices, including reducing environmental impact and promoting responsible resource extraction. This may involve utilizing advanced technologies for efficient extraction, implementing strict environmental regulations, and promoting reclamation and rehabilitation of mining sites. Compared to underground mining, open-pit mining offers better resource utilization, higher recovery rates, higher yields, higher labor productivity, and lower costs. Therefore, open pit mining is more sustainable and will become a major trend in the industry in the future.

Threats and Challenges

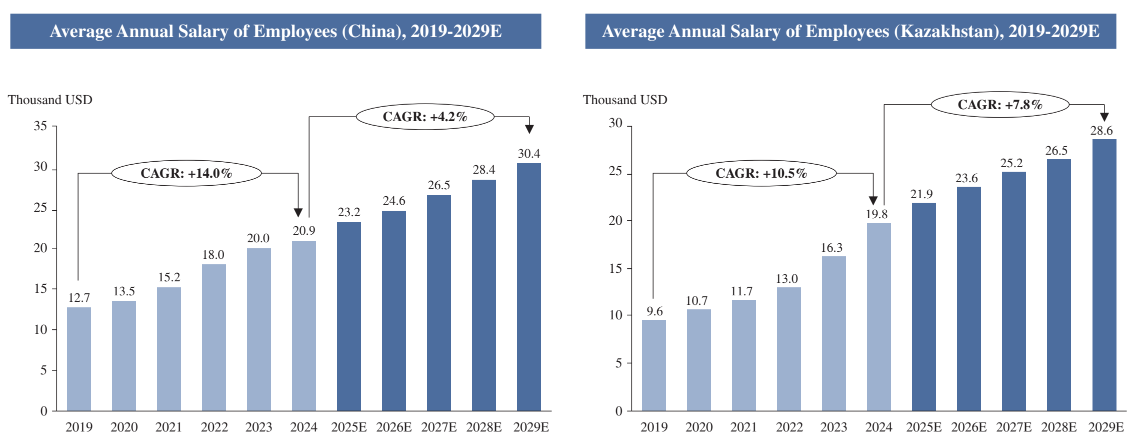
Increasing Operational Cost and Environmental Awareness: Labor force is an important factor in the tungsten industry. As the economy develops, labor costs in China and Kazakhstan have been rising in recent years. The average annual salary of employees in the mining industry in China and Kazakhstan increased from approximately US$12,700 and US$9,600 in 2019 to approximately US$20,900 and US$19,800 in 2024, respectively, representing a CAGR of 14.0% and 10.5%, respectively. The number of employees in the mining industry has shown a decreasing trend in recent years. In addition, the price of raw materials used for producing downstream products also impacted the tungsten industry. For example, liquid sodium hydroxide and sulfuric acid are the key raw materials for producing tungsten downstream products and their price increased in 2021, which in turn significantly increased the price of tungsten products. Additionally, the increasing global awareness of ESG policies and environmental protection will also bring obstacles to the mining industry, as mining enterprises usually face potential environmental damage issues.

Uncertainty about the World Economic Situation: The uncertainty of the world economic situation will also affect the tungsten mining industry to a certain extent. Russia is another large tungsten mining country in terms of the reserve volume and production volume of tungsten. The Russian-Ukrainian war caused short-term fluctuations in the tungsten market. Going into war, Russia is expected to use most of its domestic tungsten reserves to prepare weapons, reducing the global supply of tungsten and causing tungsten products price to rise due to supply shortages in Russia. When conflicts situation eases and strategic reserves and operational needs are met, the price of tungsten resources is likely to return to normal levels.

COST ANALYSIS OF CHINA'S AND KAZAKHSTAN'S TUNGSTEN INDUSTRY

At present, most of the tungsten mines are still relying on labor to varying degrees, such as the exploration in the early stage, and the compliance of inspections in various underground places. Therefore, labor costs in Kazakhstan and China were selected for comparison in the cost section. In line with the growing macro economy in China and Kazakhstan, the average annual salary of employees in the mining industry has also experienced a rapid increase in the past. The average annual salary of employees in China and Kazakhstan increased from approximately US$12,700 and US$9,600 in 2019 to approximately US$20,900 and US$19,800 in 2024, respectively, representing a CAGR of 14.0% and 10.5%, respectively. Going forward, the average annual salary of employees in the mining industry is also expected to increase along with the growing economic environment in each country.

Average Annual Salary of Employees in the Mining Industry (China & Kazakhstan), 2019—2029E



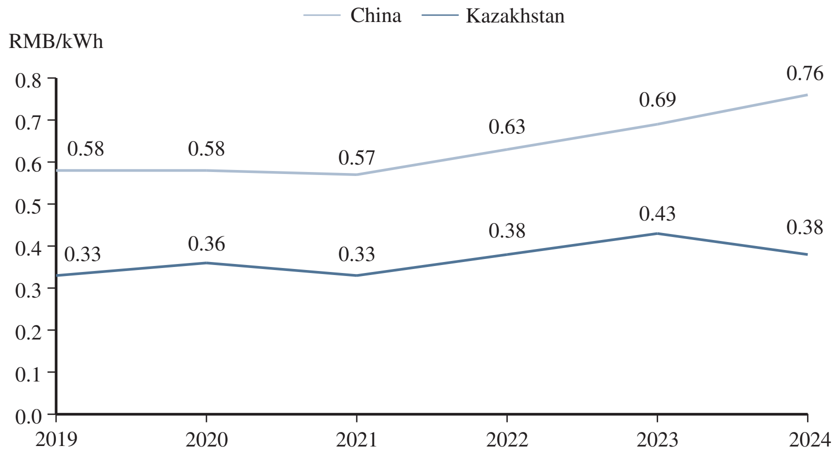
Source: Frost & Sullivan

Note: There's no statistics of global cost analysis of tungsten industry.

As China's economy continues to grow, China's government proposed several rules and policies to lower the industrial electricity price in order to promote the development of China's enterprises. The industrial electricity price in China decreased RMB0.58 per kWh to RMB0.57 per kWh from 2019 to 2021. In 2023, due to the increasing demand for electricity with the continuous development of the industrial field, the industrial electricity price increased to RMB0.69 per kWh in 2023 and RMB0.76 per kWh in 2024.

The industrial electricity price in Kazakhstan is generally lower than the price in China, fluctuating between RMB0.3 per kWh to RMB0.4 per kWh from 2019 to 2024.

Industry Electricity Price (China & Kazakhstan), 2019—2024



Source: Frost & Sullivan

Note:

(1) Industry electricity price in China refers to the industry with 315KVA or more;

(2) Industry electricity price in Kazakhstan refers to the electricity for enterprises.

ENTRY BARRIERS ANALYSIS OF GLOBAL, CHINA'S, AND KAZAKHSTAN'S TUNGSTEN INDUSTRY

Exploration and Mining Capability Barrier: Exploration and mining capability is crucial to the tungsten industry, industry participants need to accurately identify the exact location of tungsten mines, mining methods, economic value, etc. For instance, some mines have mineralization prospects in the deep parts and need to strengthen deep search according to geological studies; some mines have large reserves, but the depth exploration degree is low, far from meeting the mining needs; and some mines have been exhausted, and are on the verge of pit closure, which urgently need to explore the deep mineralization mechanism to draw a definite geological conclusion. Therefore, new entrants to the industry require a long time to develop their exploration and mining capability.

Product Quality Barrier: As downstream customers are paying more attention to the tungsten raw materials, product quality has become one of the main barriers to entering the tungsten industry. Major domestic and foreign high-end tungsten carbide manufacturers have strict requirements for their main raw material, ultra-fine and ultra-thick tungsten carbide resources. For example, ultra-fine tungsten carbide powders are required to have small particle size, high purity, and narrow particle size distribution. Companies that fail to meet relevant quality requirements will be gradually eliminated. In addition, downstream customers pay special attention to the stability of product quality. It is very difficult to survive and develop in the tungsten market if a company cannot continue to provide products with stable quality.

Technical Barrier: With the development of global tungsten technology, tungsten products tend to have high performance, high precision, and high added value. This trend puts forward higher technical requirements for enterprises entering the tungsten industry, such as the gradual application of nanomaterials, nanostructure coatings, coating technologies, etc. Tungsten cemented carbide tools require higher technical standards and requirements on its main raw material tungsten carbide for the powder morphology, chemical purity, and powder particle size. Therefore, new companies entering the industry need to constantly overcome such technical barriers.

Capital Investment Barrier: Sufficient capital investment is necessary for the tungsten industry. This is mainly because mining requires a large amount of capital investment upfront as it takes several years before the mine to commence production and making a profit. During this process, exploration would cost much, geological exploration equipment, mining equipment and infrastructure need to be purchased and a lot of labor need to be employed. In addition, sufficient capital is also critical for companies in the tungsten industry to establish and maintain their leading market position. Therefore, it can be difficult for new entrants without sufficient capital to enter the industry.

Talent Barrier: The tungsten industry has higher requirements for talent in all aspects. In the production process, the production personnel are required to precisely control the key parameters in each process flow. Therefore, a company is required to have a variety of talent with many years of experience in tungsten industry. The demand for talent in the industry is not only for professional knowledge but also for experience. At present, there are few professionals in the tungsten industry, and the talent training cycle is long. Finding professional talent can become one of the difficulties faced by newcomers.

Exploration and Extraction Permit Barrier: Tungsten ore is a specific mineral species regulated by Chinese government for protective mining. In order to protect and rationally develop and utilize the advantageous mineral resources, Chinese government has continued to postpone the acceptance of new mining exploration and mining registration applications. The China Ministry of Natural Resources mainly determines the total mining index based on the national mineral resources planning, while considering the national industrial policy, ecological and environmental protection, retaining resource reserves, mining rights, mining capacity, and other factors to determine the total annual mining index of tungsten mines, and allocates to the provincial departments in charge of natural resources. For new entrants to the industry, the lack of exploration and mining licenses and the difficulty in obtaining mining quota can become a serious barrier.

Save for the laws and regulations that are material or specific to our business as disclosed below, as of the Latest Practicable Date, our business was not subject to any particular laws or regulations of Kazakhstan and Hong Kong other than those generally applicable to companies incorporated and/or operating in the respective jurisdiction.

OVERVIEW OF RELEVANT KAZAKHSTAN LAWS AND REGULATIONS

Kazakhstan Mining Regulation

General

In Kazakhstan, in accordance with the Constitution of Kazakhstan, the subsoil and mineral resources belong to the people of Kazakhstan. The state exercises ownership on behalf of the people. A temporary right to explore and/or use certain subsoil resources may be granted to a qualified investor, who is considered a subsoil user. There are two Kazakhstani Governmental bodies regulating and competent in subsoil use (each the "**Competent Authority**" with respect to their relevant areas of jurisdiction): the Ministry of Energy is the Competent Authority in respect of hydrocarbons and uranium and the Ministry of Industry and Construction is the Competent Authority in respect of solid minerals. The relevant Competent Authority represents the state interests and grants, on behalf of the state, subsoil use rights to explore and/or produce minerals within certain subsoil site. Subsoil use right is limited in term subject to possible extension before the expiration of the applicable subsoil use contract or license (whichever is applicable). Subsoil use rights may be terminated by the relevant Competent Authority if, for example, a subsoil user has not rectified on time a breach of the contractual or license obligations.

Local executive authorities regulate and control all matters with respect to the production of so-called "widespread" minerals, including sandstone, limestone and others.

Foreign investment in the mining industry is not restricted. Foreign companies (acting through branches or entities in Kazakhstan) and individuals may enter into subsoil use contracts or receive subsoil use licenses and have the same rights and obligations as local subsoil users.

Subsoil Use Contracts and Licenses

Prior to August 1999, subsoil use rights for subsoil use operations were granted under a license and parallel execution of a subsoil use contract. In August 1999, the Kazakhstani Government, in an attempt to simplify the procedure, abolished this two-tier process and since then subsoil use rights were obtained by execution of a contract awarded as a result of a tender or direct negotiations with the Competent Authority.

A subsoil user could enter into one of the following three types of contracts with the Competent Authority: (i) an exploration contract; (ii) a production contract or (iii) an exploration and production contract. An exploration contract permits a subsoil user to conduct exploration works only (seismic survey and interpretation, appraisal and pilot production) and a separate production contract is required to conduct production per results of exploration works. A production contract permits a subsoil user to conduct production works only with limited additional exploration works in some cases and required exploration results being available prior to commencement of production works. A combined exploration and production contract permits a subsoil user to conduct exploration and production works without the need to enter into separate contracts at each stage.

With effect from June 29, 2018, when the SSU Code came into force, subsoil use rights under new mining (*i.e.*, solid minerals) projects (except for uranium and oil and gas) are granted under license only to the first applicant based on "first come, first served" principle. Such principle does not apply to granting licenses with respect to the subsoil sites (blocks) included in the State Subsoil Fund Management Program for the first time. In general, the SSU Code has significantly simplified the application process for obtaining subsoil use rights.

There are two types of licenses: (i) exploration licenses (which include exploration and appraisal works) and (ii) production licenses (which include mining, mineral processing and operational exploration). Upon discovery of solid minerals and confirmation of their reserves in accordance with Kazakhstan laws, a holder of an exploration license has an exclusive right to receive a production license, but only if such exclusivity right is exercised until the expiration of the exploration license.

In respect of the subsoil use contracts executed before the SSU Code entered into force, the general rules under the SSU Code are as follows:

i. subsoil use licenses and subsoil use contracts concluded before the SSU Code entered into force remain in effect;

ii. subsoil use contracts concluded before the SSU Code entered into force may be amended by an agreement between the parties (*i.e.,* the subsoil user and the Competent Authority), or in cases required by relevant subsoil use contracts or law;

iii. certain procedural rules (type and approval of project documents, term extension, etc.) under the SSU Code apply to subsoil use licenses and subsoil use contracts concluded before the SSU Code entered into force; and

iv. subsoil use contracts for production or combined exploration and production with respect to solid minerals concluded before the SSU Code entered into force may be amended for purposes of extension of its term (or production period under such contract) if such extension is stipulated by the contract. If no such extension is envisaged, subsoil user has the right to apply for a production license in accordance with the procedures prescribed by the SSU Code.

In case of extension of a contract for production or combined exploration and production of solid minerals, such as tungsten, on a subsoil site containing a major field (such as Boguty tungsten mine), which was concluded before the enactment of the SSU Code for a period exceeding ten years, the Competent Authority may include in the terms of such extension one of the following obligations of the subsoil user:

i. creation by a subsoil user or its subsidiary or a joint venture of processing facilities;

ii. modernization or reconstruction of the subsoil user's existing production facilities;

iii. modernization or reconstruction of existing processing facilities;

iv. supply of extracted minerals for processing to processing enterprises (production facilities) located in the territory of the Republic of Kazakhstan; and

v. procurement by a subsoil user, its subsidiary or a joint venture of an investment project in accordance with the Entrepreneurial Code of the Republic of Kazakhstan or a project aimed at the social and economic development of the region.

If the subsoil user declines to extend the contract under the above terms, the corresponding subsoil site will be put up for auction upon the contract's expiration.

Term of Subsoil use Contracts and Licenses

The term of subsoil use contract depends on the type of such contract: (i) exploration contract; (ii) production contract or (iii) combined exploration and production contract. The same rule applies to the subsoil use licenses, *i.e.*, the a term of an exploration license differs from the term of a production license. An exploration contract or the exploration stage in a combined exploration and production contract can be for an initial term of up to six years with a possible extension for appraisal (prior to 2010, it was possible to extend for two 2-year periods and appraisal) subject to filing an application with the Competent Authority for extension with the description of the substantiated reasons for such extension. Appraisal period is determined on a case-by-case basis in accordance with the relevant plan-of-works project document. A production contract or the production stage in a combined exploration and production contract can be for an initial term of up to twenty-five years, determined in accordance with a relevant plan-of-works project document. Such production contract or stage may be extended for an additional production period of up to the same length if a relevant subsoil use contract permits such extension (subject to possible subsoil user's undertaking of additional investment commitments in Kazakhstan), or a subsoil user has an exclusive right to apply for a production license not earlier than three years before the subsoil use contract expires. If any term of a subsoil use contract is changed, a relevant amendment to the contract must be executed between the Competent Authority and subsoil user. The Competent Authority then registers such amendment.

An exploration license is granted for six years with a possible one-time five-year extension (in case the exploration license covers ten or more blocks, such extension will be subject to mandatory relinquishment of at minimum 40% of the license area). A production license is granted for up to twenty-five years and may be extended for the same period unlimited number of times under subsoil user's application. If the term of license is changed (such as the name of the holder of the license or its registered address, prolongation of the term of the license or the changes in the boundaries of a subsoil site), the Competent Authority must reissue the license upon receipt of the subsoil user's application for reissuance.

A subsoil user under subsoil use contracts for solid minerals that was granted prior to the enactment of the SSU Code are entitled to convert it into a subsoil use license upon approval of a commission created by the Competent Authority.

Prior to signing the execution version, the then competent governmental departments have reviewed the SSU Contract, and confirmed the compliance of the SSU Contract with Kazakhstan law from legal, environmental and commercial perspectives. Further, pursuant to Article 30 of the Law of Kazakhstan "On Subsoil and Subsoil Use", any law amendments after the conclusion of a contract does not have retrospective effect on the said contract, except for regulations on national security, defense capabilities, environmental security, healthcare, tax and customs. Therefore, only the SSU Code and other legal acts as of the date of signing applies to the SSU Contract.

As advised by our Kazakhstan Legal Advisors, the SSU Contract is valid, binding and enforceable under the laws of Kazakhstan because (i) it has not expired, (ii) the Competent Authority has not notified Subsidiary ZV on its termination, and (iii) there is no termination agreement between Subsidiary ZV and the Competent Authority. The validity of the SSU Contract was also confirmed by the letters No. ZT-2023-02274049 dated November 7, 2023, No. ZT-2023-02676870 dated December 30, 2023 and No. ZT-2024-03681260 dated April 24, 2024, No. ZT-2025-00869708 dated March 19, 2025 and No. ZT-2025-02448566 dated August 11, 2025, issued by the Competent Authority.

Renewal Procedure of the SSU Contract

The renewal procedure for the SSU Contract is as follows:

a. Subsidiary ZV must apply to the MIC with an application to renew the term of the SSU Contract no later than six months before the expiration of the SSU Contract. The application must set forth the proposed amendments to the SSU Contract, their justification and other information necessary for making a decision on the application. The application must be accompanied by a draft addendum to the SSU Contract. If there is a need to make changes to the working program of the SSU Contract, the application must also be accompanied by (i) the draft work program, (ii) a written justification of the need for the proposed amendments and additions to the SSU Contract, and (iii) design documents and liquidation plan (project) that has been developed, agreed and approved (with positive conclusions) by relevant experts in accordance with the SSU Code.

b. Not later than five business days from the date of receipt of the application, the MIC brings the received application to the expert commission on subsoil use for consideration. The expert commission considers the application within 20 business days from the date of its receipt and sends its recommendations to the MIC.

c. Based on the expert commission's recommendations, the MIC decides within five business days of receiving such recommendations whether to refuse to amending the SSU Contract or start negotiations on any amendments to the SSU Contract.

d. The negotiations are conducted by the MIC's working group.

e. The negotiations are held within two months from the date the applicant submits the draft addendum and other necessary documents to the MIC for consideration by the working group. By agreement of the parties, this term can be prolonged.

f. The results of the negotiations must be formalized by a protocol. Draft amendments and additions to the SSU Contract are signed by the MIC after being approved by the working group. If the draft addendum affects key financial and economic indicators of the SSU Contract, the MIC working group may send it for review by an economic expert before execution.

The SSU Contract may be extended for a period no more than the maximum term of the production license established by the SSU Code. Considering the above limitations, the term of extension of the SSU Contract must be determined based on the planned mining operations envisaged by the work program.

If the MIC rejects the application or makes comments to the respective addendum to the SSU Contract that are not justifiable in the view of the subsoil user, then the subsoil user has the right to appeal such actions of the MIC in an administrative court in accordance with the procedures set forth in the Administrative Procedural Code of the Republic of Kazakhstan.

Plan-of-Works Project Documents and Work Programs

Each stage of work performance (exploration, appraisal, pilot production or production) under a subsoil use contract is subject to holding a proper plan-of-works project document, which must describe the scope of relevant works and methods to be used by the subsoil user in such works. The SSU Code establishes certain procedures for the preparation and approval of plan-of-works project documents and delivery of those to the Competent Authority.

The subsoil use contract is also accompanied by a work program, which is prepared on the basis of the relevant technical project documents developed by the subsoil user. Such work program sets out the subsoil user's year-by-year plans in terms of minimal scope of work and financial obligations. The work program is an attachment to a subsoil use contract. Any amendment to the work program must be reflected as an amendment to the relevant subsoil use contract.

The financial obligations under a subsoil use contracts include expenses for regional social development and infrastructure, contributions to the liquidation fund, education and advanced training of Kazakhstan personnel, and research and development.

Annual financial obligations for a license holder are set out in the SSU Code, which are not negotiable and are determined in proportion to the number of subsoil sites (blocks) and year of operation under the license.

Transfer and Encumbrance of Subsoil Use Rights or Interests in Subsoil User

The SSU Code requires obtaining the permission of the Competent Authority for any transfer of subsoil use right (or a part of it) or any direct or indirect interest (including, initial offering of shares) in a subsoil user. Certain transfers (*e.g.*, transfer of less than 1% of the shares, post-IPO transactions with shares on a securities exchange, transfer to ≥99% subsidiaries, etc.) are exempt from such requirement. The general rule is that a buyer (transferee) must apply to the Competent Authority for permission, the only exception from such rule is made for initial offerings, where an issuer (a subsoil user or its direct or indirect holding company) must apply for the permission. Applications and all accompanying documents must be submitted in both Kazakh and Russian languages. Documents in a foreign language must be accompanied by a notarized translation into Kazakh and Russian. Documents issued outside Kazakhstan are subject to legalization or apostille. Permission is granted within one month (three months for "large deposit," as determined according to resources volume depending on the specific mineral (for example, greater than 100 thousand tonnes of tungsten in resources, greater than 100 million tonnes of iron ore, etc.)) and is valid for one year, by which time a permitted transfer or offer of shares must be completed. In practice the issuance of the permission may be delayed by the Competent Authority and thus, take longer than the above statutory deadlines. The Competent Authority may refuse to grant permission for certain stipulated reasons, including for national security purposes, if an application does not comply with the requirements, or transfer is prohibited by law or international treaty, among others.

We have obtained official written permission of the Competent Authority on October 14, 2024 (the "**Permission**") for the Global Offering on the Stock Exchange and for the AIX Offering on the AIX. According to the SSU Code, the Permission is in effect during the period from October 14, 2024 to October 13, 2025 (both days inclusive).

Pursuant to the Permission, the Company may issue from 19,610,000 Shares to 784,330,000 Shares (the "**Permitted Shares Issue**") for listing and trading on the Main Board of the Stock Exchange and/or the AIX, the organized securities markets. The Permission does not set the Offer Price/AIX Offer Price which is in line with the requirements of the SSU Code as to the content of the Permission. In addition, according to the SSU Code, if the following corporate actions, including top-up placing, open offer, rights issue, options issue, share transactions as well as mergers and acquisitions are carried out on the Stock Exchange and/or the AIX within the Permitted Shares Issue, or those actions fall under any of the Transfer Exemptions (as defined below), no new permission from the Competent Authority is necessary.

As advised by the Company's Kazakhstan Legal Advisors, the range of Shares to be issued serves two primary purposes: (i) it enables the Company to initiate the application process with the Competent Authority for the Permission at an early stage; and (ii) it allows for an economical estimation of the potential number of Shares that may be issued and placed, depending on market conditions. Additionally, it should be noted that the maximum number of shares specified in the Permission does not obligate the Company to issue or list the full maximum number. The Permission merely defines the range within which the Company may issue any such number of Shares.

As advised by the Company's Kazakhstan Legal Advisors, the Permitted Shares Issue refers to the range of total number of Shares that may be issued upon completion of the Global Offering. The high-end of the Permitted Shares exceeds (i) the proposed number of the Offer Shares to be issued pursuant to the Listing and the AIX Offering; and (ii) the proposed total number of Shares in issue/to be in issue upon completion of the Global Offering. This provision facilitates future corporate actions which may be conducted on the Stock Exchange and/or the AIX pursuant to the SSU Code, including but not limited to top-up placings, open offers, rights issues, options issues, share transactions, as well as mergers and acquisitions. If any such corporate actions are undertaken within the Permitted Shares Issue, no new permission from the Competent Authority is required.

As advised by the Company's Kazakhstan Legal Advisors, provided that the AIX Listing occurs on or before October 13, 2025, and on the condition that (i) any future corporate action of the Company conducted on the Stock Exchange and/or the AIX, along with the corresponding share issue(s), falls within the Permitted Shares Issue; or (ii) if the future corporate action qualifies under any of the Transfer Exemptions, it would not require any additional permission from the Competent Authority under relevant Kazakhstan law.

After obtaining the Permission of the Competent Authority and the placement of Shares at the Stock Exchange and/or AIX, respectively, further transactions with such Shares on the relevant stock exchange do not require permission from the Competent Authority (the "**Listing Exemption**"). As advised by our Kazakhstan Legal Advisors, delisting of the Shares from the AIX will not terminate the Listing Exemption for trading of Shares on the Stock Exchange, and vice versa.

As advised by our Kazakhstan Legal Advisors, according to the AIX Business Rules and the AIFC Market Rules, AIX may, suspend without prior notification to an issuer, or delist securities from the Official List with immediate effect or from a specified time and date, where it is satisfied that there are circumstances that warrant such suspension or delisting or it is in the interests of the AIX and investors (MLR 19.1). Circumstances that may warrant suspension include, but are not limited to, the following (MLR 19.2):

1) the listed entity has failed to meet its continuing obligations for listing;

2) the listed entity has failed to publish financial information in accordance with the AIX Business Rules;

3) the listed entity is unable to assess accurately its financial position and inform the market accordingly;

4) there is insufficient publicly-available information in the market about a proposed transaction which involves the listed entity or the relevant securities;

5) the listed entity's securities have been suspended elsewhere;

6) the listed entity has appointed administrators or receivers, or is an investment trust or fund and is winding up;

7) the relevant securities are a securitised derivative and any underlying instrument is suspended;

8) for a derivative which carries a right to buy or subscribe for another security,

9) the security over which the derivative carries a right to buy or subscribe has been suspended; or

10) AIX considers it is in the interests of the AIFC and AIX, including the interests of investors, potential investors or the AIFC capital markets.

Further, according to the AIX Admissions and Disclosure Standards for the Issuers ("**ADS**") 7.2.3, AIX may impose a trading suspension or remove an issuer's securities from trading in the event any of the following circumstances arise:–

1) the issuer is unable or unwilling to comply with, or breaches any provision of the ADS;

2) there are no longer any of the issuer's securities in issue; or

3) trading of the issuer's securities may be detrimental to the orderly operation of the AIX market, or to the reputation of AIX.

As advised by our Kazakhstan Legal Advisors, when the Shares are (i) delisted from both the Stock Exchange and AIX; or (ii) are transferred through off-market transactions (i.e., outside of the Stock Exchange and/or AIX), holders of the Shares which are delisted from the stock exchanges or transferred through off-market transactions will no longer be able to rely on the Listing Exemption and any transfer of such Shares will be subject to the permission of the Competent Authority unless one of the following exemptions as set out in Article 44.2, as applicable, of the SSU Code may be applied ("**Transfer Exemptions**"):

1. transfer of the Shares in favor of a subsidiary in which at least 99% of interests, shares, or other forms of equity participation belong to the holder of the Shares, provided that such subsidiary is not registered in tax heaven;

2. transfer of the Shares between organizations (including succession resulting from reorganization of legal entities) in each of which at least 99% of interest, shares, or other forms of equity participation directly or indirectly belong to the same person, provided that the acquirer of the Shares is not registered in tax heaven;

3. transfer of the Shares in favor of a person or organization that directly or indirectly owns at least 99% of interest, shares, or other forms of equity participation in the holder (owner) of the Shares, provided that the acquirer is not registered in tax heaven;

4. transfer of Shares, because of the distribution of the property of a liquidated legal entity, if not less than 99% of the interest, shares, or other forms of equity participation in the acquirer of the Shares directly or indirectly belong to the same person, provided that the acquirer is not registered in tax heaven;

5. transfer of the Shares, if upon such transfer, the transferee becomes the owner of less than 1% of the Shares;

6. changes in the size of the authorized capital of the Company, including the placement of Shares, as well as the sale of previously redeemed Shares or other securities convertible into Shares, provided that as a result of such actions, the percentage of the Shares belonging to shareholders or holders of other securities convertible into Shares does not change;

7. transfer of the Shares under a transaction in which one of the parties is the Kazakhstani Government, a state body, a national managing holding, or a national company of the Kazakhstani Government;

8. transfer of the Shares because of succession based on a transfer act during the transformation of a legal entity;

9. transfer of the Shares in inheritance;

10. redemption by the Company of the Shares, as well as securities confirming ownership to or convertible into the Shares;

11. issuance of securities confirming ownership to or convertible into the Shares when the owner of the issued securities remains a person who has been the owner of the Shares;

12. acquisition of the Shares in return for previously issued securities confirming ownership to or convertible into the Shares; and

13. participation of holders of the Shares in the general meeting of shareholders (proxy arrangement).

In the event that Shares are to be delisted from the AIX, in order for brokers in Kazakhstan to assist investors in Kazakhstan with any securities transactions on AIX or to transfer their Shares to the Stock Exchange, investors must have a brokerage account with a local broker in Kazakhstan.

In the event that Shares are to be delisted from the Stock Exchange, the Company may instruct the Hong Kong Share Registrar to assist with the transfer the Shares from the Hong Kong Share Register to the AIX Share Registrar. As advised by the Company's Kazakhstan Legal Advisors, the Hong Kong shareholders may continue to benefit from the Listing Exemptions as well as the AIFC Exemption for the following reasons: (i) provided that the Shares remain on the Official List of the AIX, the AIFC Exemption still applies to the Shares that were previously traded on the Stock Exchange; and (ii) the Listing Exemption applies as long as the Shares remain on the Official List of the AIX, irrespective of their delisting from the Stock Exchange.

As advised by our Kazakhstan Legal Advisors, the Listing Exemption and Transfer Exemptions both apply by virtue of law.

Encumbrance over a subsoil use right (or a part of it) may be created only upon registration with the Competent Authority.

Acquirers of any Shares, in the event that Shares are (i) delisted from both the Stock Exchange and AIX, or (ii) transferred through off-market transactions (i.e., outside of the Stock Exchange and/or AIX), must notify the Competent Authority within one month after the transaction takes place (subject to receipt of prior permission from the Competent Authority for such transfer).

The Company must notify the Competent Authority within one month after the IPO takes place.

Subsoil users must report to the Competent Authority any change in direct or indirect control over such subsoil user within 30 calendar days after such change.

Procedures for obtaining the Competent Authority Permission

As advised by our Kazakhstan Legal Advisors, the procedure for obtaining the permission from the Competent Authority is as follows:

(1) An applicant (i.e. a purchaser) submits an application for the transfer of objects associated with subsoil use rights (i.e., the Shares), together with the supporting documents (including but not limited to, agreement(s) of Shares transfer and identification and registration documents of the purchaser), in accordance with the requirements of the SSU Code. Such requirements include the prescribed form, content and submission of the aforesaid supporting documents. The application can be submitted electronically (via minerals.gov.kz) or in hard copy. The Competent Authority reviews and considers the application within one month of the application filing date, and within three months for major fields.

(2) Within five business days upon receipt of the application, the specialist assigned by the Competent Authority:–

a. determines whether the application and the submitted documents are complete. The Competent Authority may request additional documents and information from the applicant at the initial stage, or any time before the final decision is made. The term of the application suspends until the requested documents and/or information are provided; and

b. if the documents are complete, direct the application to the expert commission on subsoil use, which is an advisory and consultative body under the Competent Authority in charge of providing recommendations on the applications (the "**Expert Commission**").

(3) If the application involves (a) the transfer of Shares in a company that may affect (directly or indirectly) a Kazakhstan subsoil user holding a strategic field, or (b) a transfer which may affect national security, the Competent Authority will direct the application within five business days upon its receipt to the National Security Committee, the national security authority in Kazakhstan, for review;

(4) If the application is found to affect national security, the National Security Committee will notify the Competent Authority within ten business days upon receipt of the application. In such case, the Competent Authority (a) suspends the application and (b) notifies the applicant within five business days upon receipt of the National Security Committee's notification. The Competent Authority would resume the application only after it receives confirmation from the National Security Committee that the transfer complies with the national security requirements;

(5) The Expert Commission reviews the application within fifteen business days, except for the application related to major fields, which are processed within forty-five business days;

(6) Within five business days upon receipt of the Expert Commission's recommendations, the Competent Authority either approves or rejects the application;

(7) In the event that any ground(s) for rejection under the SSU Code is applicable, the Competent Authority notifies the applicant, no later than three business days before the expiration of the application consideration term, about the preliminary decision to reject the application. The Competent Authority also provides the applicant with the time, date and venue of a hearing for the applicant to express its view on the preliminary rejection. The hearing takes place no later than two business days upon notification of the preliminary rejection, and the Competent Authority makes the final decision in the hearing.

According to the SSU Code and "Rules for rendering the state services for the issuance of permission for the transfer of subsoil use right arising on the basis of a subsoil use contract, exploration licence or licence for the extraction of solid minerals, as well as the transfer of objects associated with the subsoil use right", approved by the Order No. 516 issued by the Minister of Industry and Infrastructure Development of Kazakhstan on 14 July 2023, the Competent Authority may reject the application based on, among others, the following grounds:

(1) If the applicant does not provide consent for access to personal data in accordance with the Law of Kazakhstan "On Personal Data and their Protection";

(2) If the transfer of the Shares does not comply with the requirements of the national security, including the concentration of subsoil use rights;

(3) If the transfer of the Shares results in concentration of rights under a subsoil use contract;

(4) If the application does not meet the requirements under the SSU Code in terms of form and content;

(5) If the SSU Code prohibits transfer of the Shares;

(6) If the transfer of the Shares does not comply with the provisions of international agreements entered into by the Kazakhstani Government;

(7) If the document(s) submitted by the applicant and/or information contained therein is considered false;

(8) If the applicant or the submitted materials, objects, information required for state service does not comply with the legislations or regulations of Kazakhstan in respect of subsoil use;

(9) If, on a case-by-case basis, the Competent Authority requires additional approval or seeks to conduct examinations, research or inspection through other state authority(ies), and if such state authority(ies) provides negative response to the request;

(10) If there is a final and enforceable court decision which prohibits the applicant to (a) continue subsoil use operations or (b) hold shares or interest (directly or indirectly) in a subsoil user;

(11) If there is a final and enforceable court decision which deprives the applicant of the right to use subsoil or hold shares or interest (directly or indirectly) in a subsoil user.

As advised by our Kazakhstan Legal Advisors, should (a) an applicant provide all the required documents and information to the Competent Authority and (b) there is no national security concern, there should be no legal impediments in obtaining the permission.

Consequences of transfers of Shares in the case the Listing Exemption and the Transfer Exemptions are no longer applicable

According to the SSU Code, if the Listing Exemption or the Transfer Exemptions are no longer applicable to the transfer of the Shares, a purchaser of the Shares is required to apply and obtain prior permission from the Competent Authority for Share transfer. Should the purchaser of the Shares fail to obtain such permission, the acquisition of the Shares will be rendered null and void according to the SSU Code. In addition, the Competent Authority may terminate the SSU Contract if such breach is not rectified within the deadline set by the Competent Authority. As a matter of practice, if the transfer of Shares does not fulfill either the Listing Exemption or the Transfer Exemptions, the Competent Authority may refuse to grant any subsequent permissions for the transfer of shares or interest in Subsidiary ZV, or in any of its shareholders who can directly or indirectly affect voting rights of Subsidiary ZV.

On September 25, 2024, the Company requested confirmation from the Competent Authority that no permission would be required for the transfer of the Shares upon their admission to the official list of the Main Board of the Stock Exchange. In its request, the Company stipulated the potential methods of transferring the Shares on the Hong Kong Share Register (the "**Methods of Transferring Shares**"):

(i) a shareholder holding physical share certificate for his Shares transferring such Shares to a person who will acquire the Shares in his own name and receive a physical share certificate for such Shares;

(ii) a shareholder holding a physical share certificate for his Shares depositing such Shares in his securities account maintained with a broker/custodian who is a CCASS participant and subsequently transferring such Shares to a person who will acquire the Shares in his securities account maintained with a broker/custodian who is a CCASS participant;

(iii) a shareholder holding Shares in his securities account with a broker/custodian who is a CCASS participant and then withdraw the Shares and receive a physical share certificate in his own name for the Shares; and

(iv) a shareholder holding his Shares in his securities account maintained with a broker/custodian who is a CCASS participant and then withdrawing the Shares, and subsequently transferring such Shares to a person who will acquire the Shares, and the acquirer will receive a physical share certificate in his own name for such Shares.

On October 4, 2024, the Competent Authority, by its letter No. 01-07-15/37715, confirmed that the Methods of Transferring Shares constitute transactions conducted on the organized securities market. Consequently, in accordance with Article 41.2 of the SSU Code, no permission from the Competent Authority is required for these transactions.

Procurement

As a general rule, the SSU Code requires that a subsoil user under a production contract, combined exploration or production contract (during production period) or a production license must conduct its procurements in accordance with the SSU Code and relevant procurement rules approved by the Competent Authority (the "**Procurement Rules**"). The SSU Code and Procurement Rules require subsoil users to conduct formal public tenders to procure most types of goods, works and services, subject to certain limited exceptions.

Local Content Requirements

Since 2002, the Kazakhstani Government has been promoting development of domestic contractors' and suppliers' business in the subsoil use industry. Pursuant to this Kazakhstani Government's policy and in accordance with the SSU Code, subsoil users are required to use equipment, materials and products manufactured in Kazakhstan and to retain Kazakhstan producers for the provisions of works and services, provided they meet the necessary standards and requirements. Furthermore, subsoil users are required to give preference to Kazakhstan personnel while performing any operations under a subsoil use contract.

Social Commitments

Every subsoil use contract establishes certain amounts of a subsoil user's commitment to invest into training of employees, regional infrastructure development and R&D works (during production stage only). The value of each commitment and volume of works vary from year to year and depend on the stage (exploration or production).

Under the license for production of the solid minerals issued in accordance with the SSU Code, a subsoil user starting from the second year of the licence is obliged on annual basis to:

i. fund the professional training of Kazakhstan personnel in the amount of one percent of the production costs incurred by the subsoil user in the previous year, in the manner determined by the Competent Authority jointly with the authorized body in the field of education (currently the Ministry of Education of the Republic of Kazakhstan); and

ii. fund the R&D works in the amount of one percent of the production costs incurred by the subsoil user in the previous year, in the manner determined by the Competent Authority jointly with the authorized body in the field of science (currently the Ministry of Science and Higher Education of the Republic of Kazakhstan).

Contract and License Stability

The SSU Code protects stability of existing subsoil use contracts and subsoil use licenses granted under the SSU Code against any changes in law except for changes concerning taxes, customs matters, national security, health, state defense, environmental protection or competition protection.

State Authorities

The Kazakhstani Government is responsible for organizing and managing state-owned reserves, outlining subsoil allotments, defining the list of widespread minerals, defining the procedures for the conclusion of subsoil use contracts, appointing the Competent Authority, and imposing bans and restrictions on the use of subsoil for purposes of national security, safety and environmental protection. Local executive authorities have responsibility for, among other things, allotment of land plots to subsoil users. However, local executive authorities do not have a leading role in subsoil use management.

The Competent Authority

The Competent Authority is designated by the Kazakhstani Government to be a party to existing subsoil use contracts or to issue licenses. In addition, the SSU Code provides that the Competent Authority is responsible for:

i. organizing tenders for granting of subsoil use rights;

ii. monitoring compliance with the terms and conditions of subsoil use contracts/licenses;

iii. issuing permissions for the transfer of subsoil use rights or direct/indirect interest in subsoil user;

iv. registering encumbrance over subsoil use right or direct/indirect interest in subsoil user; and

v. suspending or terminating subsoil use contracts/licenses in accordance with the procedures set forth in the SSU Code.

Other Regulatory Authorities

Other governmental ministries and authorities involved in the regulation of subsoil use operations include:

i. the Industrial Safety Committee (under the Ministry of Emergency Situations), which supervises safety in subsoil use operations;

ii. the Committee on Geology (under the MIC), which approves plan-of-works project documents and supervises subsoil use operations;

iii. the Committee of Construction and Housing Matters (under the MIC), which exercises state control over the quality of construction and construction materials;

iv. various governmental authorities responsible for the approval of construction projects and the use of water and land resources;

v. the Ministry of Healthcare which is responsible for monitoring compliance with health standards;

vi. the Ministry of Labour and Social Protection of the Population, which is responsible for investigating labor disputes and complaints from individual employees and which monitors compliance with the obligations of subsoil users to give preference in hiring, including employing a certain minimum percentage of Kazakhstan nationals;

vii. the Ministry of Ecology and Natural Resources, which is responsible for environmental protection matters;

viii. local regulatory authorities, which are responsible for registering title to various types of property issuing permits; and

ix. state and local tax authorities.

Reporting

In accordance with the SSU Code, subsoil users must submit to the Competent Authority annual reports in electronic form on:

i. the performance of licence/contract obligations;

ii. purchased goods, works and services and the share of local content in those;

iii. persons and/or entities that control subsoil user directly or indirectly;

iv. geological works;

v. produced minerals (for subsoil users already in production only); and

vi. work program implementation (in case of assignment of retention status).

Land in Kazakhstan

Land in Kazakhstan can be in state or private ownership subject to the terms, provisions and restrictions set out by the Land Code. A private legal entity can hold private ownership right to land for construction or owning industrial or non-industrial buildings, structures or facilities (including residential buildings) thereon, including land designated for servicing such buildings, structures or facilities. For business purposes most of land is held in so-called "right of land use" that may be up to 49 years, is protected by law in the same manner as ownership rights and permits the holder of such right to use the granted land plot(s) at his/her own discretion within the designated purpose of use for such land, unless otherwise specifically required under the Land Code. The land plot owner or user is entitled to enter into any transaction not prohibited by the Land Code or other relevant Kazakhstan law, provided that the designated purpose of use of the land plot is not changed as a result of such transaction.

The Competent Authority's granting a subsoil use contract or license to a person is a ground for subsequent granting of rights to the relevant land plots by the local executive authorities. Such land plots are generally granted for the term and within the borders set forth in the subsoil use contract or license. Termination of the subsoil use rights is a ground for immediate termination of the right to the relevant land plot(s). During the exploration stage, a subsoil user can use relevant land plot(s) on a short-term, temporary basis under a public servitude (easement) granted by law and the regional authority's decision or a private servitude (easement) in accordance with a relevant agreement with the owner or holder of such land plot(s). Subsoil users can hold land plot(s) via land use rights within the contract or license term for exploration or production purposes subject to receipt of such rights from the relevant local executive authorities and, if applicable, entering into a relevant agreement with an owner or holder of such land plot(s).

Under the Law of the Republic of Kazakhstan "On State Registration of Rights to Immovable Property" dated July 26, 2007 (as amended), any temporary use of a land plot for a term equal to or exceeding one year requires mandatory registration with State Corporation "Government for Citizens" Non-profit Joint Stock Company. Such right of temporary use is deemed valid and in effect from such state registration date.

Health, Safety and Environment ("HSE") Regulations in Kazakhstan

Environmental Compliance

There is a variety of Kazakhstan environmental laws, regulations and requirements that govern air emissions, waste management, impacts on wildlife, as well as land use and reclamation. The Environmental Code governs the activities of individuals and legal entities, including subsoil users, in Kazakhstan in terms of their impact on the environment. In accordance with the transitional provisions of the Environmental Code (Article 418), certain provisions of the previous environmental code (the Code of the Republic of Kazakhstan dated January 9, 2007) have survived.

The Environmental Code substantially revises the system of state environmental regulation, including in terms of conducting environmental impact assessments, issuing environmental permits, stimulates nature users to reduce emissions, improves the principles of emissions and waste management regulation, and introduces progressive mechanisms of environmental regulation based on the experience of the Organisation for Economic Co-operation and Development (OECD) countries.

The main thrust of the Environmental Code is the implementation of the "polluter pays" principle. Instead of regulating a huge number of natural resource users, it is proposed to focus on the largest polluting enterprises.

Subsoil use contracts typically impose environmental obligations in addition to that required by the law. Failure to comply with such obligations may lead to substantial fines and penalties or even to suspension or termination of the subsoil use contracts.

Under the Environmental Code, companies are obligated to obtain environmental permits (as described below) and must observe all requirements set out in such permits.

The subsoil use industry is associated with serious environmental hazards. These environmental hazards could expose a subsoil user to material liabilities for property damages, personal injuries and environmental damage, including costs of investigating and remediating contaminated properties.

In accordance with the strategy for carbon neutrality of the Republic of Kazakhstan until 2060 approved by Decree of the President of the Republic of Kazakhstan on February 2, 2023, the Republic of Kazakhstan intends to transform its economy to achieve carbon neutrality by 2060. Achieving carbon neutrality will be implemented through consistent legislative, regulatory, political, and economic measures in the main sectors of the economy of the Republic of Kazakhstan aimed at reducing greenhouse gas emissions. Transition to carbon neutrality will significantly affect the subsoil use industry, the introduction of stricter regulatory measures is more likely to result in higher costs and additional obligations for the Company.

Permits for emissions

Issues of environmental protection in Kazakhstan are regulated primarily by the New Environmental Code.

Depending on the nature of the industrial activity of a particular user, the Ministry of Ecology and Natural Resources issues a permit for a specific type of environmental emissions or a complex environmental permit for various environmental emissions, and approves such activities as construction and operation of industrial facilities and waste disposal facilities.

The Ministry of Ecology and Natural Resources establishes standards relating to the permissible impact on the environment, such as limits on emissions and disposals of substances, waste disposal and resource extraction. The rates of emissions fees are set out in the Tax Code. Payment of such fees does not relieve a company from its responsibility to take environmental protection measures and undertake restoration and clean-up activities and to pay fines in accordance with the administrative proceedings and compensate for any damage to the environment if such damage was incurred as a result of pollution. In case of material damage, criminal investigations against responsible company employees may be initiated.

Under the Environmental Code emission permissions and emission normative received before July 1, 2021 for objects of categories I and II (classified as such after July 1, 2021) will be in effect until expiration of the respective emissions permission in effect as of July 1, 2021. Under the Environmental Code, production of solid minerals is classified as category I. Thus, upon expiration of the currently effective emissions permit(s) Subsidiary ZV will be required to obtain either a new environmental impact permit or a complex environmental permission. Subsidiary ZV has an experienced ecologist, as a full-time employee who is monitoring the situation and will initiate application for the required permission in due course.

Water use permits

The Water Code regulates utilization and protection of water resources. It is required to obtain a special water use permit in case of abstraction and/or use of surface waters with application of structures or technical devices specified in the Water Code, etc. The special water use permit sets out thresholds and obligations for the sustainable use of water.

A special water use permit may be suspended in cases such as: (i) inaccurate information provided to obtain the special water use permit, (ii) non-compliance with the requirements of water and environmental laws or (iii) ensuring security and defense of the state, protection of public health, environment, historical and cultural heritage, rights and legitimate interests of other persons, as well as in case of low water supply, natural and anthropogenic emergencies. A special water use permit may be terminated in the following cases: (i) no use of water resources designated for safe water supply within one year, (ii) no use of water resources within three years, (iii) state needs for water resources, or (iv) failure to rectify non-compliance that served a basis for suspension of the special water use permit.

Enforcement

Article 177 of the New Environmental Code specifies which state officials are responsible for monitoring environmental compliance and initiating proceedings in case of a breach of environmental requirements.

Such officials include:

i. the chief state environmental inspector, the deputy chief state environmental inspector, senior state environmental inspectors and state environmental inspectors;

ii. chief state environmental inspectors of regions (Oblast), cities of republican significance and the capital;

iii. senior state environmental inspectors of regions (Oblast), cities of republican significance and the capital; and

iv. state environmental inspectors of regions (Oblast), cities of republican significance and the capital.

Article 178 of the New Environmental Code authorizes relevant state officials, in their enforcement of environmental protection measures, to:

i. carry out preventive control with a visit to a subject (object) or inspection if there is an appropriate legal basis to enter the territory and premises of the inspected object, including with measuring devices and equipment for sampling, and, if necessary, with involvement of specialists, consultants and experts in accordance with the legislation of the Republic of Kazakhstan to carry out necessary measurements, take samples (including samples of goods and materials) and analyze them;

ii. request and receive from the audited subjects (objects) the results of laboratory tests of samples and other materials necessary to determine the volume of anthropogenic impact on the environment;

iii. file lawsuits in court to restrict, suspend and prohibit the activities of the subject of state environmental control, which are carried out in violation of the requirements of the environmental legislation of the Republic of Kazakhstan;

iv. identify facts of causing environmental damage and participate in determining measures for elimination of such damage in accordance with the requirements of the New Environmental Code;

v. apply to the prosecutor's office and other law enforcement agencies for assistance in preventing or suppressing actions of violators of the requirements of the environmental legislation of the Republic of Kazakhstan; and

vi. take measures stipulated by the laws of the Republic of Kazakhstan on withdrawal, deprivation and suspension of permits, conclusions, licenses and other authorization documents of physical and legal entities in connection with violation of the requirements of the environmental legislation of the Republic of Kazakhstan.

Instructions issued by the relevant environmental protection officers must be followed but may be appealed to a higher state authority or court.

Environmental and Other Mandatory Insurance

Kazakhstan law establishes a number of mandatory insurances to be obtained by any entity conducting certain types of activities.

Environmental Insurance

Environmental insurance is a mandatory type of insurance and is regulated by Law of the Republic of Kazakhstan "On Mandatory Environmental Insurance" dated December 13, 2005 (as amended). Pursuant to this law, any entity carrying out environmentally hazardous activities should insure against the risk of environmental damage associated with such respective activities. The mandatory environmental insurance agreements should cover potential damages to the environment that may be caused by environmentally hazardous activities.

Other lines of mandatory insurance, which are required by Kazakhstan law and applicable to the Company's activities, are described below:

Insurance of Civil Liability of Danger Units Owners

According to Law of the Republic of Kazakhstan "On Civil Protection" dated April 11, 2014 (as amended) ("**Civil Protection Law**") and Law of the Republic of Kazakhstan "On Mandatory Insurance of Civil Liability of Owners of Units Associated with Danger of Damage to Third Parties" dated July 7, 2004 (as amended), companies must insure against risks associated with the functioning of their hazardous manufacturing units. A hazardous manufacturing unit is a unit that produces, uses, processes, generates, stores, transposes or destroys at least one of the following substances: inflammable substances, explosives, fuels, oxidizing agents, toxic agents, highly toxic substances and other hazardous substances according to the laws; or a unit that carries out mining, geological prospecting, drilling and explosive works, production of natural resources and processing of minerals in underground conditions.

Insurance of the Employees against Accidents at Work

According to Law of the Republic of Kazakhstan "On Mandatory Insurance of an Employee against Accidents when Carrying Out Employee's Labour Duties" dated February 7, 2005 (as amended), since July 1, 2005 all employers are obliged to insure employees against accidents when carrying out their employment duties.

Insurance of the Civil Liability of Transport Vehicles Owners

According to Law of the Republic of Kazakhstan "On Mandatory Insurance of the Civil Liability of Transport Vehicle Owners" dated July 1, 2003 (as amended), civil liability of owners of, inter alia, cars, trucks, buses, microbuses, and transport vehicles, motor-transport and trailers (semi-trailers) are subject to mandatory insurance requirements, and any use of such vehicles without insurance is prohibited.

Health and Safety

Health and safety requirements in Kazakhstan are regulated by the Labour Code, by the Civil Protection Law, and by the Code on Health of Population and Healthcare System dated July 7, 2020.

Various government bodies have authority in the field of health and safety matters. These governmental bodies include, among others, the Ministry of Labour and Social Protection of the Population, the Ministry of Industry and Construction, and the Industrial Safety Committee of the Ministry of Emergency Situations.

A subsoil user is required to have a mandatory declaration of its hazardous objects, adhere to industrial safety guidelines (within the terms set by industrial safety regulations for specific hazardous objects and as prescribed by the relevant state authority), arrange HSE training for personnel, and insure against third-party liability in connection with the hazardous objects.

The laws and regulations require an employer to provide its employees with properly functioning and safe equipment, to train its employees on health and safety requirements, to adopt corporate health and safety regulations, to provide special uniform and shoe wear, special nutrition, to perform periodic medical examinations of its employees, to obtain periodic third party attestation for equipment and worksites, to provide adequate insurance to its employees, to maintain third party liability insurance and to comply with fire safety, sanitary and hygienic regulations.

Liability

Under Kazakhstan law, if the operations of a company violate any HSE requirements or cause any damage to the environment or any individual or legal entity, the authorized state officials may file a claim with the court to limit, suspend or restrict the business or other operations of such company and request compensation for damages. Any company or employee who fails to comply with HSE requirements may be subject to administrative and/or civil liability, and responsible employees may also be subject to criminal liability. Environmental clean-up obligations may also be levied on an offending person in lieu of, or in addition to, imposing fines.

Any material breach of HSE requirements may result in the Competent Authority's termination of a subsoil use contract or licence.

The Statute of Limitations for the Commencement of Proceedings

The period of limitation for bringing a claim to impose material liability (*i.e.,* damages for breach of HSE requirements) on an offending person is established under the rules set out in Article 178 of the Civil Code. The Civil Code provides for a three-year statute of limitations. Such limitation period starts running from the moment an affected party becomes aware or should have become aware of the violation of its rights. Since it is necessary to prove the time when the affected party became aware or should have become aware of the violation to apply the statute of limitations, and given that a claim can be filed by a prosecutor who may have only become aware of the violation immediately before filing the claim, it may be problematic to convince a court in Kazakhstan of a lapse of the statute of limitations. The limitation period for criminal actions is five, ten, fifteen or twenty years, depending on the gravity of the crime, from the time when the crime was committed.

The statute of limitations provision described above, however, does not apply to administrative and criminal charges for potential breach of environmental requirements. Article 62 of the Code of the Republic of Kazakhstan "On Administrative Violations" dated July 5, 2014 establishes a general two-month limitation period to subject a person to administrative liability, save for special limitation periods for certain administrative offenses such as one-year and three-year limitation period to subject an individual or legal entity to administrative liability for breach of environmental regulations respectively.

The statute of limitations for bringing civil proceedings for environmental damage is 30 years which starts running from the moment when an action or failure to act which caused the damage occurred or, in case of long-term environmental damage, from the moment when the respective action or failure to act was completed. This limitation does not apply to regulatory proceedings, criminal or administrative prosecutions in connection with breaches of environmental requirements, which are subject to separate limitation periods.

Employment and Labour Regulation in Kazakhstan

Employment Contracts

An employment contract may be for:

i. an indefinite term;

ii. a fixed term of not less than a calendar year;

iii. the term of performance of specific work;

iv. the term of replacement of a temporarily absent employee;

v. the term of performance of seasonal work; or

vi. the duration of a work permit for a foreign employee or a permission for a migrant labourer.

As a general rule, an employee may terminate his/her employment contract for any reason by giving one month's notice to the employer. The employer may terminate an employment contract only on the basis of limited grounds and in accordance with specific procedures set out in the Labour Code.

An employee who is dismissed due to the liquidation of enterprise or downsizing of personnel is entitled to receive compensation equal to the employee's average salary for one month. According to the Social Code of the Republic of Kazakhstan dated April 20, 2023, an employer who intends to dismiss any of its employees due to its liquidation, downsizing of personnel or decrease of production works and services volume that resulted in worsening the employer's economic conditions is required to submit a notice of forthcoming dismissal to the relevant center of labor mobility not later than one month prior to the date of the contemplated dismissal.

Work Time

The Labour Code establishes the normal duration of the working week at 40 hours, with overtime not exceeding two hours per 24 hours, 12 hours per month and 120 hours per year (for the cumulative record of working hours). For employees engaged in heavy physical work or under harmful or hazardous conditions, the working week is reduced to a maximum of 36 hours, with overtime not exceeding one hour per 24 hours, 12 hours per month and 120 hours per year. An employee is entitled to 24 calendar days (at minimum) of annual paid leave.

Salary

The current minimum salary in Kazakhstan, as established by Law of the Republic of Kazakhstan "On Republican Budget for 2023-2025" dated December 1, 2022, is KZT 85,000 per month. Overtime work or work during night shifts, as well as work on holidays or during weekends must be paid at the rate at least 150 percent (at minimum) of the respective employee's salary. Employers are required to pay every employee at least 50 percent of his/her average monthly salary for any downtime not caused through employee's fault.

Trade Unions

The regulations relating to trade unions are set out in Law of the Republic of Kazakhstan "On Trade Unions" dated June 27, 2014 (as amended). Trade unions can represent their members in relations with employers, associations, government bodies and in court. As a part of their activities, trade unions may monitor the compliance of employers with their statutory obligations towards their employees and have access to the work places of their members. In the event of a breach of statutory obligations by an employer, a trade union may bring a claim against the employer in court. Trade unions are entitled to participate in gatherings, meetings, strikes and other actions to improve working conditions, increase salaries or for other lawful reasons. Trade unions act through their elected bodies.

The Labour Code permits an employer to terminate an employment contract with a trade union member, who is not excused on his/her main work duties, only subject to the opinion of such trade union.

Currency Control and Foreign Exchange Regulation in Kazakhstan

Currency regulation in Kazakhstan is governed primarily by Currency Regulation and Currency Control and various regulations enacted by the NBK.

All currency operations, including transfers of dividends, interest and other investment income, can be made without restrictions. If, however, the stated monetary thresholds, being an equivalent of US$500,000 (or, for export or import transactions, an equivalent of US$50,000) are met, a currency transaction may require registration (through receipt of a contract account number) with or notification on currency transaction by a servicing bank in Kazakhstan of NBK.

Foreign residents in Kazakhstan are permitted to hold and freely use local or foreign currency in Kazakhstan. Kazakhstan residents may only use local currency in any transaction with another Kazakhstan resident, except for set exemptions.

Export of Minerals from Kazakhstan

Export of minerals, such as tungsten, and products from such minerals is permitted in Kazakhstan. The procedure for mineral export, including export-related customs duties, is regulated by relevant Kazakhstan laws and regulations, including international treaties ratified by Kazakhstan.

Kazakhstan is a member of the Eurasian Economic Union (ECU). This gives it access to a market of 185.4 million people and requires compliance with various ECU customs and export regulations.

Kazakhstan became a member of the World Trade Organization (WTO) in 2015.

Export of most of the minerals (including tungsten) produced in Kazakhstan is subject to export control in the form of obtaining the relevant export license, reporting and potential export restrictions. An export license is issued by the Industrial Committee within the Competent Authority. Such export license may be (i) general, *i.e.*, for a certain volume of a certain mineral or product; (ii) exclusive, *i.e.*, for an exclusive export of certain mineral or product; or (iii) single-use, *i.e.*, for a certain volume of a certain mineral or product under certain export contract.

The Kazakhstan Legal Advisors confirmed that pursuant to the Law of Kazakhstan "On Control over Specific Goods", the export license is a form of export control that is regulated by the Committee of Industry of the Ministry of Industry and Construction of the Republic of Kazakhstan. The list of qualification requirements for obtaining export licence is set out in Order No. 425 issued by the Competent Authority on June 9, 2023 (the "**Order No. 425**"). Based on current requirements in Order No. 425, the Kazakhstan Legal Advisors are of the view that there are no legal impediments for Subsidiary ZV to obtain relevant license, subject to submission of all required documents to the Competent Authority.

Temporary export restrictions may be introduced by the Kazakhstani Government for certain periods of time in the future. As of the Latest Practicable Date, as advised by our Kazakhstan Legal Advisors, there had not been any tungsten export restrictions imposed by the Kazakhstani Government. Kazakhstan may also participate in international export control sanctions against one state or a group of states and apply such sanctions in accordance with Kazakhstan law, in accordance with the resolutions of the UN or other international organizations. In certain cases, Kazakhstan may apply such sanctions unilaterally.

Kazakhstan may apply restrictions to export, import, transit and processing of products outside of Kazakhstan, including embargoes against a foreign state if such state is in breach of its obligations towards Kazakhstan and/or in accordance with a resolution of international organization of which Kazakhstan is a member. The Kazakhstani Government approves the list of states against which the above restrictions on export, import, transit and processing of products outside of Kazakhstan are applied and publishes such list annually. For instance, on

April 6, 2024, Kazakhstan introduced amendments to its legislative framework regarding the export of raw materials through the adoption of the Law No. 71-VIII "On amendments and additions to certain legislative acts of the Republic of Kazakhstan on business matters" (the "**Law No. 71-VIII**").

Among other amendments, the Law No. 71-VIII provides that starting from October 9, 2024, producers of domestic raw materials (the "**Producers**") must supply raw materials produced by them to domestic manufacturing enterprises by entering into supply agreements (the "**Supply Agreements**"), provided that the respective producer of raw materials is included in the list of domestic raw materials (the "**Supply List**").

Producers are included in the Supply List based on the applications for raw materials submitted by the manufacturing enterprises to the authorized body in the field of government incentive of industry (the "**Industry Incentives Authority**"), currently the MIC. A producer of domestic raw material may not be included in the Supply List if (a) it operates for less than 3 years, and (b) the volume of the raw materials it produces is less than the threshold identified by the Industry Incentives Authority (such threshold is yet to be identified).

If included in the Supply List, the allocation of domestic raw materials by Producers is determined based on the proportion of a domestic producer's output compared to the total output of the same raw material in Kazakhstan.

The Supply Agreements must be (a) concluded among a producer of raw materials, the domestic manufacturing enterprise in need of such raw materials and the Industry Incentives Authority (b) in the form pre-approved by the Industry Incentives Authority (the form is yet to be approved).

The pricing under the Supply Agreements shall not be lower than the minimum export price available to supplying producer in relation to respective raw material. If a producer of raw materials is included in the Supply List, it may export the raw materials produced based on a license issued by the Industry Incentives Authority (the "**Export License**"). A license will be granted if a producer of raw materials has entered into a Supply Agreement for the supply and fulfils supply obligations thereunder. Export Licenses are granted subject to compliance by the manufacturing enterprises (exporters) with the Supply Agreements during the period preceding the receipt of the Export Licenses. The rules for monitoring the compliance with supply obligations are yet to be adopted by the Industry Incentives Authority.

Currently, the MIC is in the process of developing by-laws related to the amendments introduced by the Law No. 71-VIII (including but not limited to, a list of domestic raw materials and their producers, a form of the Supply Agreement, rules and regulations for providing domestic raw materials to manufacturing enterprises, compliance monitoring rules). The applicability of possible export restrictions should be further assessed at the time of the planned sales, considering additional restrictions that may be introduced in the future.

Taxation with respect to Operations in Kazakhstan

Overview

The principal legislative act governing tax relations in Kazakhstan is the Tax Code.

Kazakhstan is a unitary country and there are no separate municipal or regional taxes. All taxes and payments are addressed in the Tax Code.

The Tax Code foresees:

i. Taxes:

- Corporate income tax at 20% (withholding tax rates vary);
- Individual income tax at 10% (15% for Kazakhstan-source dividends);
- Value added tax at 12%;
- Excise;
- Special payments and taxes of subsoil users;
- Social tax;
- Tax on transportation vehicles;
- Land tax;
- Property tax;
- Tax on gambling business (applies to casinos, bookmakers, etc.);
- Fixed tax (applies to gambling machines without prizes, billiards, etc.);
- Unified land tax (applies to farmers).

ii. Payments to the budget:

- State duty;
- Fees;
- Payments (for the use of licenses, for the use of land plots, etc.).

Under the Tax Code, the tax treatment of a legal entity in Kazakhstan depends on its tax residency status. Legal entities established under the Kazakhstan law and foreign legal entities that have their effective place of management in Kazakhstan are treated as tax residents of Kazakhstan. Other foreign legal entities are deemed to be non-residents. Tax residents are subject to income tax in Kazakhstan on their worldwide income, while non-residents are subject to income tax in Kazakhstan only on their income from Kazakhstan sources.

Non-residents that have no permanent establishment in Kazakhstan and earn income from Kazakhstan sources are subject to income tax at the source of payment at the rate of 20% (reduced tax rates apply to certain categories of income, *e.g.*, capital gains tax is 15%). The tax rate may be reduced (or even exempted) by virtue of an applicable double tax treaty provided that a non-resident claiming double tax treaty benefits satisfies the principal purpose test (and in certain cases simplified limitation on benefits test) of the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI).

Kazakhstan concluded 53 tax treaties with foreign jurisdictions. Additionally, Kazakhstan has ratified the MLI which introduces additional criteria to those stipulated in tax treaties that non-residents must meet in order to be eligible for relevant tax treaty benefits. The MLI provisions apply to withholding tax from January 1, 2021 and other Kazakhstan taxes from April 1, 2021, which may influence the tax position of non-residents in Kazakhstan.

Non-residents that have a permanent establishment in Kazakhstan are taxed similarly to Kazakhstan resident companies. In case a non-resident's permanent establishment is registered as a branch, it is subject to the so-called "branch profits tax" at the rate of 15% (reducible under an applicable double tax treaty). This tax applies annually to after-tax profits of branch. Kazakhstan has strict transfer pricing rules which apply to international (cross-border) transactions, regardless of whether the parties to a transaction are related. Transfer pricing rules define international transactions as imports/exports of goods and the provision of services where one party to the transaction is a non-resident with no permanent establishment in Kazakhstan. The tax authorities have a right to adjust prices and assess additional taxes, penalties and interest.

Starting from January 1, 2020 the general statute of limitation under the Tax Code is three years (with certain exceptions, *e.g.*, for subsoil users — five years).

Value Added Tax ("VAT")

VAT objects are taxable turnover (sales or exports of goods, rendering of services or works, assignment of rights, etc.) and taxable imports. Certain turnovers are considered non-taxable, *e.g.*, turnover where the place of the services is not Kazakhstan.

Kazakhstan tax law provides "place of service" rules that stipulate where any particular type of service is deemed provided for VAT purposes. According to these rules, services such as consulting, design and engineering are deemed provided at the place where the buyer of the services conducts its business, regardless of where the services are physically performed.

The standard tax rate is 12%. Exports, international carriage and certain other turnovers are subject to 0% VAT. Certain taxable turnovers are exempt from VAT, *e.g.*, certain operations with land plots, banking operations, etc. Certain imports are exempt from VAT, *e.g.*, imports of certain medicine, etc.

Eligible VAT payers (*e.g.*, exporters, taxpayers using a controlled account for VAT purposes) may claim a refund for the excess of input VAT over output VAT provided the qualifying criteria requirements are met.

If foreign service providers are not registered as VAT payers in Kazakhstan, they are not liable for charging VAT on their services to Kazakhstan VAT payers. The liability for charging this VAT lies with Kazakhstan VAT payers. This "self-charge" method of VAT payment requires the Kazakhstan VAT payer to pay VAT on top of the foreign service provider's fees. The Kazakhstan VAT payer can claim a credit for any VAT that it pays in connection with the foreign entities' services.

Taxation of Subsoil Use Operations

Subsoil users are subject to the regular taxes and payments (*e.g.*, corporate income tax and VAT) and special taxes and payments applicable to subsoil users only. Only limited number of taxpayers are subject to tax stability, *e.g.*, subsoil users operating under a production sharing agreement. However, most subsoil users are not subject to the tax stability and, thus, pay current taxes imposed at the relevant time.

Special taxes and payments applicable to subsoil users include, among others:

i. Mineral extraction tax;

ii. Excess profits tax;

iii. Signature bonus; and

iv. Payment for reimbursement of historical costs.

Minerals Extraction Tax ("MET")

MET separately applies to each extracted:

i. Mineral raw materials;

ii. Groundwater; and

iii. Therapeutic mud.

The tax base for mineral raw materials is the value of a taxable volume of depleted mineral resource reserves contained in mineral raw materials for the tax period. The procedure for calculating MET depends on the type of minerals. A special formula is used to determine the value of mineral resource reserves. MET rates on mineral raw materials range from 0.38% to 21.06% depending on the mineral, *e.g.*, gold — 7.5%, nickel — 7.8%, cobalt — 7.8%, lead — 10.4%, uranium — 6% and tungsten — 7.8%.

The MET relating to the extraction of widespread minerals, groundwater and therapeutic mud is charged on the physical volume of the extracted objects. The MET rates are linked to the so-called Monthly Calculated Index or MCI (one MCI for 2025 is KZT3,932) and range from 0.001 MCI to 1 MCI per one cubic meter or one tone, depending on the type of mineral.

Excess Profits Tax ("EPT")

Subsoil users are subject to EPT for any tax year for each subsoil use contract in which its net profits exceed its EPT expenditures by more than 25%.

Net profits are determined as aggregate annual revenues less EPT expenditures and less corporate income tax under the corresponding subsoil use contract, where:

i. aggregate annual revenue is the income recognized for corporate income tax purposes excluding income from capital gain, income from disposal of fixed assets and income from the adjustment of expenses incurred for geological prospecting and preparatory work for production of natural resources and other expenses of subsoil users;

ii. EPT expenditures include expenses claimed for deduction for corporate income tax purposes, expenses actually incurred for fixed assets and geological study.

EPT rates range from 10% to 60%.

Under the Tax Code, subsoil users operating under subsoil use contracts for exploration and (or) production of solid minerals (including metals) should not be regarded as EPT payers, provided that such subsoil use contracts do not stipulate the production of other groups of minerals.

Signature bonus

Signature bonus is a one-time bonus paid when a subsoil use right is granted (or when the contract territory is expanded).

The Tax Code contains the starting rates of the signature bonus depending on the contract type and categories of mineral reserves.

Prior to 2018, a commercial discovery bonus was part of subsoil use payments, but it does not apply now.

Reimbursement of Historical Costs

The payment for reimbursement of historical costs is a fixed payment of a subsoil user for the reimbursement of costs incurred by the state for geological study and field development before a subsoil use contract is signed. Certain exemptions apply in relation to payers of reimbursement of historical cost.

The amount of the payment is calculated by the authorized state body based on the provisions of the Kazakhstan law.

The amount depends on the actual amount of historical costs incurred by the state. Generally, the amount of historical costs to be reimbursed is stipulated in the subsoil use contract.

Other subsoil use-related issues

Below are additional subsoil use-related issues:

i. The Tax Code introduced a payment for the use of land plots under a license for the exploration or production of solid minerals (from 15 to 450 MCI, paid on an annual basis). This payment is not technically in the Tax Code's section related to subsoil use taxes and payments.

ii. Historically other taxes and payments applied to subsoil users, including the royalty and the Republic of Kazakhstan's share in the production sharing agreements. The Tax Code still mentions the royalty and the Republic of Kazakhstan's share in the production sharing agreements in the Tax Code's section related to subsoil use taxes and payments (due to the tax stability applicable to certain subsoil users).

Taxation with respect to the Acquisition, Ownership and Disposal of the Shares

The following summary of Kazakhstan taxation matters is based on the laws and practice in force as of the Latest Practicable Date and is subject to any changes in law and the interpretation and application thereof, which changes could be made with retroactive effect. The following summary does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to acquire, hold or dispose of the Shares, and does not purport to deal with the tax considerations applicable to all categories of investors, some of which may be subject to special rules. Save as otherwise indicated, this summary only addresses the position of investors who do not have any connection with Kazakhstan other than through a holding of the Shares.

Under Kazakhstan legislation, Hong Kong is considered as a jurisdiction with a concessionary tax regime (*i.e.*, tax haven), and the double tax treaty concluded between Kazakhstan and the PRC does not apply to income of investors registered or domiciled in Hong Kong.

This following section discusses the Kazakhstan tax considerations of the acquisition, ownership and disposal of the Shares. In general, Kazakhstan tax law with respect to the taxation of securities and financial instruments is not well developed, and in many cases the exact scope of Kazakhstan tax, compliance rules and enforcement mechanism is unclear or open to different interpretations.

The Kazakhstan tax implications should arise in case a non-resident disposes the Shares with a gain. Capital gains realized by a non-resident should be regarded as a Kazakhstan-source income if the value of the Shares derives primarily (*i.e.*, 50% or more) from property located in Kazakhstan. Generally, the taxable gain is the excess of the selling price over the acquisition (or contribution) price. Since the Company's assets primarily derive their value from the property located in Kazakhstan, buyers and sellers of the Shares would be subject to Kazakhstan tax legislations.

For investors and shareholders of the Company who will be trading in the Shares to be listed on the Stock Exchange, income tax in Kazakhstan may be applicable. No other taxes or duties would be levied in Kazakhstan with respect to the above transactions. For all relevant purposes of this summary, except as noted below (*e.g.*, in relation to tax relief), legal entities and individuals are subject to similar income tax treatment.

Information contained in the following sections is of a general nature with respect to taxation relating to the Acquisition, Ownership and Disposal of the Shares:

- Tax residence
- Disposal of the Shares
- Taxation of dividends on the Shares

Investors should consult their professional advisors on the Kazakhstan tax considerations of their acquiring, holding and disposing of the Shares, including the matters of the investors' tax residence, the investors' eligibility for the benefits of double tax treaties, taxation of dividends, obligation to file tax returns with the Kazakhstan tax authorities, pay Kazakhstan taxes and other relevant Kazakhstan tax matters.

No Hong Kong stamp duty for Share transactions on the AIX

As advised by our Hong Kong Legal Advisors, Share transactions on the AIX are not subject to Hong Kong stamp duty.

Acquisition of the Shares

Pursuant to the Tax Code, acquisition of Shares by investors (both individuals and legal entities irrespective of their tax residency status) should not lead to any tax consequences in Kazakhstan.

Disposal of the Shares

Tax treatment in relation to the disposal of Shares depends on the residency status. For an assessment of tax residency of investors, please refer to "—Tax residence" below.

In the event that the tax exemptions as described in the section below are not available, (i) Kazakhstan tax resident investors are subject to capital gain tax in respect of disposal of Shares and dividend income taxes in respect of Shares; and (ii) Kazakhstan tax non-resident investors are subject to capital gain tax (but not dividend income tax) in respect of the disposal of the Shares. For further details, please refer to "—Taxation of tax resident investors" and "—Taxation of tax non-resident investors" below.

Tax residence

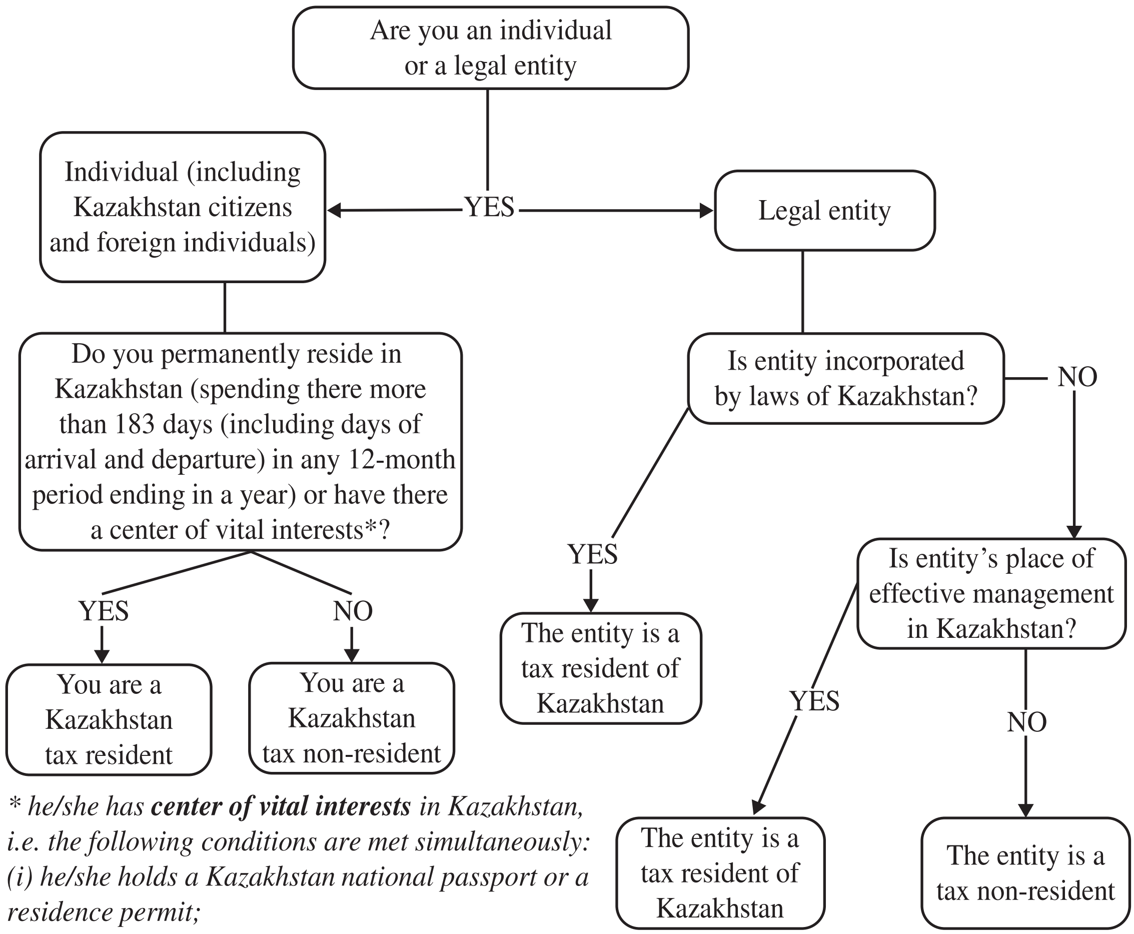
Under the Tax Code, the tax treatment of legal entities and individuals depends on their tax residency status. Tax residents are subject to income tax in Kazakhstan on their worldwide income, while non-residents are subject to income tax in Kazakhstan only on their income from Kazakhstan sources. Non-resident persons should not become residents for Kazakhstan tax purposes by reason only of the acquisition, ownership or disposal of the Shares. Therefore, under Kazakhstan tax law, non-resident legal owners of the Shares should only be taxed on their income earned from sources in Kazakhstan, in this case, being from the trading of the Shares, rather than their worldwide income.

Generally, under the Tax Code, a foreign national individual should be regarded as a tax non-resident in Kazakhstan if (i) he/she does not permanently reside in Kazakhstan (*i.e.*, spent 183 days (including days of arrival and departure) or more in any period of 12-consecutive months ending in that tax year outside of Kazakhstan), or (ii) does not have center of vital interests in Kazakhstan.

Normally, a foreign legal entity that does not have its effective place of management in Kazakhstan should be regarded as a non-resident for Kazakh tax purposes. Accordingly, in case a Hong Kong legal entity does not have its effective place of management in Kazakhstan, such an entity should be regarded as a tax non-resident in Kazakhstan.

The Company, being incorporated in Hong Kong and has no effective place of management in Kazakhstan, is not a tax resident of Kazakhstan. Each of Subsidiary AK and Subsidiary ZV is a tax resident in Kazakhstan.

The following diagram illustrates the scenarios when an individual or legal entity will be considered as a tax resident or tax non-resident.



** he/she has **center of vital interests** in Kazakhstan, i.e. the following conditions are met simultaneously:*
(i) he/she holds a Kazakhstan national passport or a residence permit;
(ii) his/her spouse and/or close family members reside in Kazakhstan; and
(iii) he/she, the spouse or close family members own real estate in Kazakhstan or has access to a real estate available for living in Kazakhstan at any time.

Despite the general taxation framework in Kazakhstan, where investors may be subject to capital gain tax on the disposal of Shares and dividend income tax on Shares based on their tax residence, there are exemptions available. These exemptions, rooted in the AIFC Constitutional Law and the Tax Code, provide tax relief options for both tax resident and tax non-resident investors. By meeting specific criteria, investors can benefit from exemptions on capital gains and dividend income, fostering a more attractive investment environment within the Kazakhstan's securities markets.

Capital Gain Tax

For capital gain tax, both tax resident and tax non-resident investors (individuals and legal entities) can benefit from the AIFC Exemption (as defined below), which exempts them from capital gain tax for dealings of the Shares on the AIX and the Stock Exchange until January 1, 2066, provided the securities are listed on the AIX.

Further, for both tax resident and tax non-resident investors (individuals and legal entities), an additional exemption is available through the Open-trade Exemption (as defined below), which exempts them from capital gain tax if the securities are sold through open trade on AIX and are officially listed on AIX at the time of sale.

In addition, for investors who are tax non-resident legal entities, the scope of the Open-trade Exemption is broader. In addition to being exempt from capital gain tax if the securities are sold through open trade on the AIX, they are also exempt if the securities are sold on the Stock Exchange, provided that the securities are officially listed on the Stock Exchange at the time of sale of the Shares. This broader applicability of the Open-trade Exemption (as defined below) offers non-resident legal entities additional tax relief options.

Dividend Income Tax

The AIFC Exemption also provides significant relief for dividend income tax, applying equally to individuals and legal entities of both tax resident and non-resident. This exemption exempts investors from dividend income tax until January 1, 2066, provided the securities are listed on the AIX. In addition, in the context of dividend income tax, the tax residents (individuals) are subject to a further requirement of a trading criteria, meaning a trading volume of at least 25 million tenge per month (which the equivalent of approximately HK$432,000) and at least 50 transactions per month, details of the trading criteria is posted on the official website of the AIX (the "**Trading Criteria**") in order for the AIFC Exemption to apply.

To ensure our fulfillment of the trading criteria at the time of accrual of dividend for tax exemption purposes, we plan to implement the following measures upon the AIX Listing as advised by our Kazakhstan Tax Advisors:

(a) checking our trading volume against the trading criteria on a daily basis;

(b) implementing internal controls and reporting mechanism to track our compliance with the trading criteria; and

(c) seeking advance clarifications from the AIX and other relevant authority to ensure our approach to meeting the trading criteria is aligned with their expectations.

Our Directors are of the view, and the Sole Sponsor concurs, that measures (a) to (c) above are adequate and effective in maintaining the trading criteria.

In doing so, our Directors are of the view, and the Sole Sponsor concurs, that the likelihood of us failing to meet the trading criteria in light of the aforementioned failures of other listed companies as reported is low.

Our Directors will, at any time when the Shares of the Company are listed on the AIX, procure that the trading criteria be fulfilled.

Irrespective of the availability of the AIFC Exemption, tax non-resident investors (individuals and legal entities) should not have any Kazakhstan dividend income tax liability since the dividends paid by the Company (a company not registered and not a resident in Kazakhstan) should be out of scope of Kazakhstan taxation.

For tax resident legal entities and individuals, if the AIFC Exemption is not available, the standard tax provisions under the Tax Code apply. In case the AIFC Exemption is not available, dividends received by tax resident legal entities should be exempt from dividend income tax under a general Tax Code exemption. As advised by the Kazakhstan Tax Advisors, (i) the Tax Code was amended on January 1, 2024 (with retrospective application from January 1, 2023) such that dividend income received by all tax residents (legal entities) is exempt from income tax without the requirement to comply with the Trading Criteria, and (ii) such exemption shall apply to tax resident (legal entities) irrespective of the AIFC Constitutional law since the Tax Code governs the general taxation regime for all taxpayers in Kazakhstan. Under the general Tax Code exemption, if the AIFC Exemption is not available, the tax resident individuals should be exempt from dividend income tax if (i) the Shares are listed on AIX at the time of dividends accrual, and (ii) the Trading Criteria are met, which is consistent with the situations where the AIFC Exemption applies to the tax resident individuals.

Should these Tax Code exemptions not be applicable, tax resident individuals and legal entities would be subject to dividend income tax as discussed further below.

Exemptions under the AIFC Constitutional Law and the Tax Code

In Kazakhstan, investors can benefit from two main types of tax exemptions: the AIFC Exemption and the Open-trade Exemption.

(i) The AIFC Exemption

The AIFC Exemption, established by the AIFC Constitutional Law, grants individuals and legal entities exemption from Kazakhstan income tax on dividends and capital gains derived from the transfer of securities listed on the AIX, irrespective of their tax residence, until January 1, 2066 ("**AIFC Exemption**"). To qualify for the AIFC Exemption, the same class of Shares must be admitted to the Official List of the AIX for investors holding Shares listed on both the AIX and/or the Stock Exchange. This exemption remains available even if the number of Shares listed on the AIX and/or the Stock Exchange changes, as long as the same class of Shares is still officially listed on the AIX. If a new class of securities is issued, it must also be admitted to the Official List of the AIX for investors to benefit from the AIFC Exemption for that new class of securities, whether listed on the AIX or the Stock Exchange.

According to our Kazakhstan Tax Advisors, the AIFC Exemption is applicable on condition that the Shares are included in the Official List of the AIX, even if the Shares are temporarily suspended from trading. However, the AIFC Exemption does not apply to Shares that are delisted from the AIX's Official List.

As advised by our Kazakhstan Tax Advisors: (i) the AIFC Constitutional Law holds the status of constitutional law in Kazakhstan. The legal force of the AIFC Constitutional Law is higher than that of the Tax Code, thus the AIFC Constitutional Law prevails over the Tax Code, meaning the AIFC Exemption can be applied directly regardless of its incorporation into the Tax Code; and (ii) our Company will qualify for the AIFC Exemption upon the Listing.

Our Kazakhstan Legal Advisors further advised that any amendment to the AIFC Exemption under AIFC Constitutional Law (i) is a law-making process that generally requires lengthy public consultations; and (ii) requires supermajority support from both Houses of Parliament of the Republic of Kazakhstan and endorsement by the President of the Republic of Kazakhstan. Therefore, taking into account the aforesaid bases relied on by our Kazakhstan Legal Advisors, our Directors are of the view that, within the current regulatory framework, the risk of the AIFC Exemption being removed in its entirety is remote. Based on the due diligence conducted, nothing has come to the attention of the Sole Sponsor that would cause it to disagree with our Directors' views.

Based on publicly available information, neither our Directors nor our Kazakhstan Legal Advisors are aware of the Kazakhstan tax authorities ever challenging the applicability of the AIFC Exemption to securities listed on a foreign stock exchange while maintaining concurrent admission to the Official List of the AIX. Additionally, as advised by our Kazakhstan Tax Advisors, (i) it is impossible to calculate the amount of capital gains tax due by investors without having access to detailed information on each share transaction; (ii) the primary obligation to pay capital gains taxes rests with the disposing and/or acquiring investors (in cases where they are considered to be tax agents) rather than our Company; and (iii) in the unlikely event that the AIFC Exemption is abolished in the future, given the abolishment imposes new obligations on individuals or worsens their position, the Kazakhstan tax authorities do not have the right to respectively claim tax for past periods when such tax exemptions were in effect and legally utilized by investors.

(ii) The Open-trade Exemption

The "Open-trade Exemption" under the Tax Code of Kazakhstan provides tax relief for capital gains derived from the disposal of securities. For tax resident investors (individuals and legal entities), the exemption applies if the securities are sold through an open trade on AIX, provided the securities are officially listed at the time of sale; while for tax non-resident legal entities, the exemption extends to sales on both Kazakhstan and foreign stock exchanges, while non-resident individuals can only claim the exemption for sales on AIX (the "**Open-trade Exemption**").

The table below summarizes the availability of the AIFC Exemption and Open-trade Exemption on capital gain tax and dividend income tax in Kazakhstan.

Investor Type	Tax Type	AIFC Exemption	Open-trade Exemption
Tax Non-residents[Note 1] . .	**Capital Gain Tax**	**For both individual and legal entity:** – Exempt until January 1, 2066 – Securities must be listed on the AIX	**Individual:** – Exempt if sold through open trade on AIX **Legal entity:** – Exempt if sold through open trade on AIX or the Stock Exchange **For both individual and legal entity:** – Securities must be officially listed on the relevant stock exchange at the time of sale
	Dividend Income Tax	**For both individual and legal entity:** – Not relevant, since the dividends paid by the Company are out of scope of Kazakhstan taxation	**For both individual and legal entity:** – Not relevant, since the dividends paid by the Company are out of scope of Kazakhstan taxation
Tax residents[Note 1] .	**Capital Gain Tax**	**For both individual and legal entity:** – Exempt until January 1, 2066 – Securities must be listed on the AIX	**For both individual and legal entity:** – Exempt if sold through open trade on AIX – Securities must be officially listed at the time of sale
	Dividend Income Tax	**Individual:** – Applicable if trading volume of the securities being traded > 25 million tenge/month and > 50 transactions/month on the AIX[Note 2] **For both individual and legal entity:** – Exempt until January 1, 2066 – Securities must be listed on the AIX	**For both individual and legal entity:** – Not relevant as the Open-trade Exemption only applies in the context of capital gains derived from the disposal of securities but not dividend income tax

Notes:

1. For the avoidance of doubt, the AIFC Exemption applies to Kazakhstan tax residents and tax non-residents (individuals and legal entities) who hold Shares on the Stock Exchange to the same extent as they hold the Shares on the AIX.

2. As advised by the Kazakhstan Tax Advisors, (i) the Tax Code was amended on January 1, 2024 (with retrospective application from January 1, 2023) such that dividend income received by all tax residents (legal entities) is exempt from income tax without the requirement to comply with the Trading Criteria, and (ii) such exemption shall apply to tax resident (legal entities) irrespective of the AIFC Constitutional law since the Tax Code governs the general taxation regime for all taxpayers in Kazakhstan.

In summary, the AIFC Exemption provides tax relief for both capital gain tax and dividend income tax for both investor types, contingent on meeting specific Trading Criteria. The Open-trade Exemption offers an additional layer of relief for capital gain tax, with a broader scope for non-resident legal entities, including sales on foreign stock exchanges. These provisions collectively foster an attractive investment environment within Kazakhstan's securities markets.

The key difference lies in the scope of the Open-trade Exemption for capital gains, which is broader for tax non-resident legal entities as it includes sales on foreign stock exchanges, providing them with additional tax relief options compared to tax residents and tax non-resident individuals.

Potential consequences in a hypothetical situation where both the AIFC Exemption and Open-trade Exemptions under the Tax Code are not available, or if tax authorities take a different view in the application and interpretation of the AIFC Constitutional Law and the Tax Code

Where investors are not eligible for any tax exemption, including the AIFC Exemption, the investors are subject to the capital gain tax and dividend income tax at the rates as specified below, depending on whether such investors are individuals or legal entities, resident investors or non-resident investors:

Taxation of tax resident investors

According to the Tax Code, investors who are tax residents are subject to the following tax rates:

	Individuals	Legal entities
Capital gains from disposal	10%	20%

	Individuals	Legal entities
Dividend income	10% (where Shares are traded on stock exchange outside of Kazakhstan such as the Stock Exchange) 0% (where Shares are traded on a stock exchange in Kazakhstan such as the AIX)[Note]	Exempted

Note: According to the amendments to the Tax Code effective from January 1, 2023, dividends received by tax resident individual investors from the Shares, irrespective of where the Shares are traded (i.e. either AIX or Stock Exchange) will be subject to 10% dividend income tax. However, an exemption under the Tax Code is applicable in the case where such Shares are listed on a stock exchange operating in Kazakhstan (i.e. AIX) subject to the Trading Criteria. Such exemption is only available for the Shares traded on the AIX and not available for the Shares traded on the Stock Exchange.

Individuals

According to the Tax Code, investors who are tax resident individuals should be subject to 10% tax in Kazakhstan in respect of capital gains arising from the disposal of the Shares.

According to the amendments to the Tax Code effective from 1 January 2023, dividends received by investors who are tax resident individuals as derived from the Shares, irrespective of where they are traded (i.e. either AIX or Stock Exchange) will be subject to 10% dividend income tax. However, an exemption under the Tax Code is applicable in the case where such Shares are trading on a stock exchange operating in Kazakhstan (i.e. AIX) subject to the Trading Criteria. Such exemption is only available for the Shares traded on the AIX and is not available for Shares traded on the Stock Exchange.

Legal entities

According to the Tax Code, investors who are tax resident legal entities should be subject to 20% Tax in Kazakhstan in respect of the capital gains from the disposal of the Shares.

Dividends received by tax resident legal entity investors from the Shares, irrespective of where they are traded (i.e. either AIX or Stock Exchange) will be exempt from dividend income tax under general Tax Code provisions.

Tax returns and payment by tax resident investors

In light of the AIFC Exemption, tax resident investors of the Shares are only required to disclose the capital gains realized from the disposal of the Shares and dividend income received from the Shares in their tax returns in Kazakhstan, without actually paying the Tax.

In the event that the AIFC Exemption is not available, where capital gains has been realized by a tax resident investor through a disposal of the Shares (except for disposal of the Shares pursuant to the Tax Resident Open-trade Exemption) or dividend income is received by a tax resident Shareholder, the relevant Shareholder is required to file a tax return and pay the relevant tax in Kazakhstan in accordance with the following procedures:

(A) How to obtain an individual/business identification number

Individual identification number (IIN) is assigned to an individual and is a unique combination of 12 digits generated automatically based on the principles of uniqueness and immutability. To preserve the integrity of the data in databases of various levels containing IIN, it is not subject to any modification or re-generation from the moment of initial generation.

An individual identification number for citizens of the Republic of Kazakhstan is generated upon the first-time issuance of birth certificate, passport of a citizen of the Republic of Kazakhstan, national ID of a citizen of the Republic of Kazakhstan.

Business identification number (BIN) is assigned to legal entities on their registration as a legal entity or obtaining a certificate of tax residency and is a unique combination of 12 digits generated automatically based on the principles of uniqueness and immutability. To preserve the integrity of the data in databases of various levels containing IIN/BIN, it is not subject to any modification or re-generation from the moment of initial generation.

A tax resident investor should register at the local tax authorities at its place of residence/state registration using IIN/BIN. A list of local tax authorities is available at **https://egov.kz/cms/ru/articles/taxes_bin**. Further details are available at **https://egov.kz/cms/en/categories/taxation**.

Upon registration, the taxpayer will get an access to his/its taxpayer's webroom on Kazakhstan State Revenue Committee's website in a section specifically dedicated for use by taxpayers. Further details are available at **https://cabinet.salyk.kz/knp/main/index**.

(B) How to file the tax return

In this respect, please note that:

- There are specific tax return forms for both individual and legal entities tax residents.

- An updated version of the tax return forms is issued every year by the Kazakhstan State Revenue Committee; the tax return forms can be downloaded from the Kazakhstan State Revenue Committee at **https://www.kgd.gov.kz/en/section/formy-nalogovoy-otchetnosti**.

- The tax return can be completed:

  — By the taxpayer, by filling a printed version of the tax return form by hand.

  — By the taxpayer, by filing an electronic version of the tax return form via taxpayer's webroom on Kazakhstan State Revenue Committee's website. To get an access to his/its taxpayer webroom a taxpayer should undergo a registration procedure on Kazakhstan State Revenue Committee's website by following link using his/its IIN/BIN **https://cabinet.salyk.kz/knp/main/index**.

  — By an intermediary in the Kazakhstan (e.g. professional tax advisor), upon instructions of the taxpayer.

(C) Deadlines for filing a tax return

The tax return can be filed in either of the following manner:

- By electronic submission: the taxpayer may file the tax return electronically via taxpayer's webroom on Kazakhstan State Revenue Committee's website. To get an access to his/its taxpayer webroom a taxpayer should undergo a registration procedure on Kazakhstan State Revenue Committee's website by following link using his/its IIN/BIN: **https://cabinet.salyk.kz/knp/main/index**.

- By post: the taxpayer may submit the tax return through Kazpost and its local and regional branches or, by post from overseas. When posting from overseas, the completed tax return must by placed unfolded in an ordinary envelope. The envelope must be sent by registered post or by equivalent post or by equivalent means from abroad clearly showing the date of dispatch. The envelope should be addressed to the address of local tax authorities at the place of residence/state registration of the taxpayer.

- Through an intermediary in the Kazakhstan: the tax return may be filed by an intermediary on behalf of the taxpayer.

Tax return must be filed no later than 31st of March of each calendar year following a tax reporting period.

Based on provisions of the Tax Code, the tax period for both individuals and legal entities coincides with the calendar year. (i.e. from 1st January to 31st December).

(D) Methods of payment of capital gain and dividend income tax

Payment of capital gains tax and dividend income tax can be made as follows:

- Through the internet (online banking service rendered by Kazakh banks, which is available for taxpayers who have already obtained IIN/BIN and have a bank account with any bank in the Kazakhstan or Kazpost, the national postal operator of Kazakhstan. Generally, all banks in the Kazakhstan are authorized to conduct payments to Kazakhstan State Revenue Committee. The list of local banks rendering online banking services is available at the following link: https://www.gov.kz/memleket/entities/ardfm/financial-organizations/24?lang=en.

- Through a wire transfer compliant with the standard of "SWIFT MT 03". The transfer must be addressed to IBAN code of relevant tax local authority. A list of tax local authorities and their bank details for SWIFT payments is available by following link: https://egov.kz/cms/en/articles/taxation/taxes_bin.

A tax payment must be made no later than 10th of April of each calendar year following a tax reporting period.

Taxation of tax non-resident investors

According to the Tax Code, investors who are tax non-residents are subject to capital gain tax at the following tax rates:

	Individuals	Legal entities
Capital gains from disposal	15% (investor not residing in a tax heaven jurisdiction) 20% (investor registered in a jurisdiction with concessionary tax regime*(Note 1)*)	15% (investor not residing in a tax heaven jurisdiction) 20% (investor registered in a jurisdiction with concessionary tax regime*(Note 1)*)
Dividend income	0% (outside scope of the Tax Code)*(Note 2)*	0% (outside scope of the Tax Code)*(Note 2)*

Notes:

1. As of the Latest Practicable Date, there were 56 jurisdictions including Hong Kong, Malta, and the BVI.

2. Dividends received by individual or legal entity tax non-residents will not be subject to dividend tax because the Company is a holding company. As mentioned above, the Company is not considered as a tax resident of Kazakhstan as it merely holds shares in Subsidiary ZV and does not carry out business activities in Kazakhstan.

Individual & Legal entities

Capital gains from disposal of the Shares by the investors who are tax non-resident individuals/legal entities would be subject to 15% tax or 20% tax (depending on whether the tax non-resident individuals/legal entities are registered in a jurisdiction with concessionary tax regime).

Tax returns and payment by tax non-resident investors

Tax non-resident investors are not required to file tax returns as long as the AIFC Exemption and Tax Non-resident Open-trade Exemption are applicable to their transactions with the Shares.

In the event that the AIFC Exemption and Tax Non-resident Open-trade Exemption are not applicable to tax non-resident investors, according to the Tax Code, the general principle of taxation of tax non-resident individuals and legal entities is the tax withholding by a tax agent.

According to the Tax Code, capital gain tax should be withheld by the party acquiring the Shares (the "**Acquirer**") from its payment to the party disposing the Shares (the "**Disposing Investor**"). The Acquirer in its capacity as a tax agent (criteria of which is discussed below) is obliged to calculate, remit and report the tax payable to Kazakhstan tax authorities.

The tax must be withheld irrespective of:

i. the form and the place of payment of the income, *e.g.*, whether the payment is made via offset, outside of the Republic of Kazakhstan etc.; and

ii. the presence/availability of a branch or other permanent establishment of the acquirer in the Republic of Kazakhstan.

Criteria of a tax agent

The following table sets out criteria in which an individual or legal entity is going to be a considered as a tax agent:

(a) An individual entrepreneur registered by Kazakhstan tax authorities;

(b) A tax non-resident legal entity with branches and representative offices in Kazakhstan;

(c) A tax non-resident legal entity with a place of effective management in Kazakhstan;

(d) A tax resident legal entity of Kazakhstan;

(e) A tax non-resident legal entity acquiring the Shares in the Company; or

(f) A tax resident individual acquiring the Shares from a non-registered non-resident legal entity, except for the acquisitions made on AIX or the Stock Exchange.

If a non-resident investor in Hong Kong falls under one of the above criteria, it will be considered as tax agent.

Calculation of capital gain tax

Capital gains are defined as the positive difference between the sale price and the original price (acquisition cost). Capital gains can be offset against capital losses under certain conditions. Investors should consult their professional advisors to determine whether such offsets are applicable at any given time. The original price of the Shares should be determined, among others, as the total cost of acquisition or the value of the contribution to the charter capital (if the Shares were received as a contribution to the charter capital) or the value indicated on the transfer act or division act (if the Shares were received as a result of reorganization) or the book value of property received by a shareholder upon liquidation or reduction of the charter capital plus the aggregation of other costs which increase the value of the Shares (including costs incurred after their acquisition) in accordance with IFRS and the accounting laws of Kazakhstan, except for certain costs which are non-deductible for Kazakhstan corporate income tax purposes. The seller should provide the Acquirer with copies of documents confirming the original price; otherwise, the tax must be withheld from the entire consideration (sales price).

To determine the capital gain upon disposal of the Shares, the disposing legal entity must keep documentation confirming the acquisition cost of the Shares. If the disposing legal entity fails to do so, the entire amount of disposal proceeds should be subject to taxation in Kazakhstan.

The Acquirer in its capacity of a tax agent is obliged to calculate, remit and report the tax payable to the Kazakhstan tax authorities. It is important to note that if the Shares are traded on both the Stock Exchange and the AIX, practically the Acquirer and the Disposing Investor may not be able to know each other's identities. As advised by our Kazakhstan Tax Advisors, (i) the Tax Code does not provide any mechanism to obtain information required for capital gains tax calculation for trades with the Shares on the relevant stock exchange when the identities of the Acquirer and the Disposing Investor are not known; (ii) the Tax Code does not provide any mechanism and we are not aware of any precedent cases that discuss the maximum tax exposure of the Group and/or its Directors/officers in the event that the non-residents did not report and pay income tax on capital gains from the sale of the Shares, and therefore it is impracticable for the Group to accurately monitor and mitigate the tax exposure on an ongoing basis; (iii) according to the Tax Code, tax obligations (including mechanism of calculating and paying tax) should be clearly defined in the Tax Code in order to be enforceable; and (iv) according to the Tax Code, in cases where tax non-residents or tax agents do not fulfill their tax obligation, tax authorities have a right to claim tax from Subsidiary ZV. However, given (i) it is unclear as to how the Kazakhstan tax authorities would obtain the same information on trades conducted on AIX and the Stock Exchange, and (ii) based on the experience, practice and dealing between our Kazakhstan Tax Advisors and the Kazakhstan tax authorities, our Kazakhstan Tax Advisors are of the view that the risk of actual enforcement is remote. In the event that there is a change in the above interpretation of Tax Code, the Kazakhstan tax authorities would have to come up with a clear mechanism on how the required information could be obtained for the purpose of fulfilling the tax obligations.

Currently, the Kazakhstan tax authorities have no effective tax administration mechanism to penalize a non-resident for not registering as a taxpayer in Kazakhstan. The liability should likely lie with the non-resident in this case. In case the Kazakhstan tax authorities detect that the non-resident did not report and pay income tax on capital gains from the sale of the Shares, the Kazakhstan tax authorities could seek the tax from the Kazakh subsoil user, *i.e.*, Subsidiary ZV. Please refer to the section headed "Risk Factors—Risks relating to the Global Offering—Both Kazakhstan tax resident investors and tax non-resident investors may be subject to Kazakhstan income tax for capital gains or dividends derived from our Shares, unless they are eligible for applicable tax exemptions." For further details of the risks to our Group in relation to applicability of the tax exemptions.

Fulfillment of Tax obligations on capital gains by tax non-residents investors if tax exemptions are not available.

(i) If the Acquirer is a tax agent

If a tax non-resident investor (i.e., generally, an acquirer of the Shares) is considered as a tax agent, such tax non-resident must register for tax purposes in Kazakhstan.[1] The tax registration must be completed prior to the acquisition of the Shares.[2] In order to perform the tax registration, the tax agent files with the Kazakhstan tax authorities a tax application for the tax registration along with the notarized (and legalized or apostilled, if made outside of Kazakhstan) copies of constitutive documents (if applicable) to the tax authorities at the location of Subsidiary ZV,[3] and documents confirming the state and tax registration of the tax agent in its country of incorporation/residency. The tax registration is completed within three to five business days. In addition, such registration may be made by Kazakhstan tax authorities upon request of Kazakhstan relevant authorities responsible for the state regulation in the sphere of subsoil use.[4] As a result of registration procedure, a taxpayer should be provided with business identification number (BIN—in case of legal entities).

1 Article 650.9, Kazakhstan Tax Code

2 Articles 75-76, Kazakhstan Tax Code

3 Article 76, Kazakhstan Tax Code

4 Article 76.12, Kazakhstan Tax Code

The Tax withheld by the tax agent must be remitted to the state budget and the tax agent must file a tax return.

(A) How to obtain an individual/business identification number

A tax non-resident investor shall register as a taxpayer at a Department of State Revenue.

For registration purposes, a tax non-resident investor shall make an application in a prescribed form to the Department of State Revenue and submit the following documents:

- passport of an individual or incorporation documents of a legal entity;

- certificate of incorporation issued in a jurisdiction of the legal entity with an incorporation number; and

- certificate of tax residency issued in a jurisdiction of the legal entity.

A prescribed form of the application can be downloaded at the website maintained by Kazakhstan Ministry of Justice by following link: **https://adilet.zan.kz/rus/docs/V1800016425**.

On a successful registration, the tax non-resident investor that is a legal entity will be provided with a certificate of taxpayer registration with BIN.

The tax non-resident investor who is an individual shall obtain IIN by applying to the State Corporation "Government for citizens" in a prescribed form. An application can be submitted personally at offices of State Corporation "Government for citizens" or remotely through intermediary of a legal representative who has an electronic signature.

A prescribed form of the application is available at a website maintained by Kazakhstan Ministry of Justice by a following link: **https://adilet.zan.kz/rus/docs/V2000020201#z70**.

(B) How to file the tax return

In this respect, please note the following:

- Specific tax return forms are available for both individual and legal entities tax agents who are tax residents and tax non-residents.

- An updated version of the tax return forms is issued every year by the Kazakhstan State Revenue Committee; the tax return forms can be downloaded from the Kazakhstan State Revenue Committee at **https://www.kgd.gov.kz/en/section/formy-nalogovoy-otchetnosti**.

- The tax return can be completed in the following manner:
  - By the taxpayer, by filling a printed version of the tax return form.
  - By the taxpayer, by filing an electronic version of the tax return form via taxpayer's webroom on Kazakhstan State Revenue Committee's website. To get an access to her/its taxpayer webroom a taxpayer should undergo a registration procedure on Kazakhstan State Revenue Committee's website by following link using her/its IIN/BIN **https://cabinet.salyk.kz/knp/main/index**.
  - By an intermediary in the Kazakhstan (e.g., professional tax advisor), upon instructions of the taxpayer.

(C) Deadlines for filing a tax return

The tax return can be filed in either of the following manner:

- By electronic submission: the taxpayer may file the tax return electronically via taxpayer's webroom on Kazakhstan State Revenue Committee's website. To get an access to her/its taxpayer webroom a taxpayer should undergo a registration procedure on Kazakhstan State Revenue Committee's website by following link using her/its IIN/BIN: **https://cabinet.salyk.kz/knp/main/index**.
- By post: the taxpayer may submit the tax return through Kazpost and its local and regional branches or, by post from overseas. When posting from overseas, the completed tax return must by placed unfolded in an ordinary envelope. The envelope must be sent by registered post or by equivalent post or by equivalent means from abroad clearly showing the date of dispatch. The envelope should be addressed to the address of local tax authorities at the place of residence/state registration of the taxpayer.
- Through an intermediary in the Kazakhstan: the tax return may be filed by an intermediary on behalf of the taxpayer.

The tax return must be submitted by the tax agent to the local tax authority where they are registered on following deadlines:

- Not later than the 15th date of the second month following the quarter in which the payment was made (in relation to the first, second and third quarters); and
- Not later than the 31 March of the year following the year in which the payment was made (in relation to the fourth quarter).

(D) Methods of payment of capital gain tax

Payment of capital gains tax can be made as follows:

- Through the internet (online banking service rendered by Kazakhstan banks, which is available for taxpayers who have already obtained IIN/BIN and have a bank account with any Kazakhstan bank or Kazpost. Generally, all Kazakhstan banks are authorized to conduct payments to Kazakhstan State Revenue Committee. The list of local banks rendering online banking services is available at the following link: **https://www.gov.kz/memleket/entities/ardfm/financial-organizations/24?lang=en**.

- By a wire transfer compliant with the standard of "SWIFT MT 03". The transfer must be addressed to IBAN code of relevant tax local authority. A list of tax local authorities and their bank details for SWIFT payments is available by following link: **https://egov.kz/cms/en/articles/ taxation/taxes_bin**.

Capital gains tax withheld by the tax agent must be remitted to the state budget not later than 25 calendar days following the end of the month in which the payment was made to the seller of the Shares.

(ii) If the Acquirer is not a tax agent

In case the acquiring investor is not considered as a tax agent, a tax non-resident investor disposing the Shares is nevertheless required to calculate, remit and report the Tax to the Kazakhstan tax authorities.[1]

In such a case, the tax non-resident investor should register for tax purposes in Kazakhstan (i.e., obtain a business or individual identification number), file the relevant tax return (tax declaration) no later than 31st of March of each calendar year and remit the tax no later than 10th of April following the year in which the income was accrued/received.[2]

(A) How to obtain an individual/business identification number

A tax non-resident investor shall register as a taxpayer at a Department of State Revenue.

1 Article 650.11, Kazakhstan Tax Code

2 Article 650.12, Kazakhstan Tax Code

For registration purposes, a tax non-resident investor shall make an application in a prescribed form to the Department of State Revenue and submit the following documents:

- Passport of an individual or incorporation documents of a legal entity;
- Certificate of incorporation issued in a jurisdiction of the legal entity with an incorporation number; and
- Certificate of tax residency issued in a jurisdiction of the legal entity.

A prescribed form of the application can be downloaded at the website maintained by Kazakhstan Ministry of Justice by following link: **https://adilet.zan.kz/rus/docs/V1800016425**.

On a successful registration, the tax non-resident investor that is a legal entity will be provided with a certificate of taxpayer registration with BIN.

The tax non-resident investor who is an individual shall obtain IIN by applying to the State Corporation "Government for citizens" in a prescribed form. An application can be submitted personally at offices of State Corporation "Government for citizens" or remotely through intermediary of a legal representative who has an electronic signature.

A prescribed form of the application is available at a website maintained by Kazakhstan Ministry of Justice by a following link: **https://adilet.zan.kz/rus/docs/V2000020201#z70**.

(B) How to file the tax return

In this respect, please note that:

- There are specific tax return forms for both individual and legal entities tax non-residents;
- An updated version of the tax return forms is issued every year by the Kazakhstan State Revenue Committee; the tax return forms can be downloaded from the Kazakhstan State Revenue Committee at **https://www.kgd.gov.kz/en/section/formy-nalogovoy-otchetnosti**.

The tax return can be completed:

- By the taxpayer, by filling a printed version of the tax return form by hand;
- By the taxpayer, by filing an electronic version of the tax return form via taxpayer's webroom on Kazakhstan State Revenue Committee's website. To get an access to his/its taxpayer webroom a taxpayer should undergo a registration procedure on Kazakhstan State Revenue Committee's website by following link using his/its IIN/BIN **https://cabinet.salyk.kz/knp/main/index**;
- By an intermediary in the Kazakhstan (e.g., professional tax advisor), upon instructions of the taxpayer.

(C) Deadlines for filing a tax return

The tax return can be filed in either of the following manner:

- By electronic submission: the taxpayer may file the tax return electronically via taxpayer's webroom on Kazakhstan State Revenue Committee's website. To get an access to his/its taxpayer webroom a taxpayer should undergo a registration procedure on Kazakhstan State Revenue Committee's website by following link using his/its IIN/BIN: **https://cabinet.salyk.kz/knp/main/index**.
- By post: the taxpayer may submit the tax return through Kazpost and its local and regional branches or, by post from overseas. When posting from overseas, the completed tax return must by placed unfolded in an ordinary envelope. The envelope must be sent by registered post or by equivalent post or by equivalent means from abroad clearly showing the date of dispatch. The envelope should be addressed to the address of local tax authorities at the place of residence/state registration of the taxpayer.
- Through an intermediary in the Kazakhstan: the tax return may be filed by an intermediary on behalf of the taxpayer.

Tax return must be filed no later than 31st of March of each calendar year following a tax reporting period.

Based on provisions of the Tax Code, the tax reporting period for both individuals and legal entities coincides with the calendar year. (i.e., from 1st of January to 31st of December).

(D) Methods of payment of capital gain

Payment of capital gains tax can be made as follows:

- Through the internet (online banking service rendered by Kazakhstan banks, which is available for taxpayers who have already obtained IIN/BIN and have a bank account with any bank in the Kazakhstan or Kazpost, the national postal operator of Kazakhstan. Generally, all banks in the Kazakhstan are authorized to conduct payments to Kazakhstan State Revenue Committee. The list of local banks rendering online banking services is available at the following link: https://www.gov.kz/memleket/entities/ardfm/financial-organizations/24?lang=en.

- Through a wire transfer compliant with the standard of "SWIFT MT 03". The transfer must be addressed to IBAN code of relevant tax local authority. A list of tax local authorities and their bank details for SWIFT payments is available by following link: https://egov.kz/cms/en/articles/ taxation/taxes_bin.

A tax payment must be made no later than 10th of April of each calendar year following a tax reporting period.

Information contained above is of a general nature with respect to taxation of capital gain in Kazakhstan. Thus, investors should consult their professional advisors regarding their tax obligations, including advice on whether the non-resident as the acquirer/transferor has any obligation to file tax returns with the Kazakhstan tax authorities depending on individual circumstances and the applicable procedure.

Liability for non-fulfillment of tax obligations

Tax resident investors and tax agents

Tax resident investors (both individuals and legal entities) who are subject to capital gains tax from disposal and dividend income tax and tax agents (i.e. Acquirer) who are subject to capital gains tax will be subject to the following administrative liabilities:

- Late payment of a tax—legal entities and individuals may be imposed an interest penalty that applies at an annual rate of 1.25 times the official base rate of the National Bank of Kazakhstan (which is currently 16%).

- Non-filing of a relevant tax return in a timely manner—legal entities and individuals may be subject to administrative penalty in form of a warning.

- Understatement of tax amounts:

  (i) For legal entities: administrative fine from 20% to 80% of the assessed tax amount;

(ii) For individuals: administrative fine of 10 monthly calculation index (hereinafter—"MCI", where 1 MCI = KZT3,450 in 2023), circa USD60.

- Concealment of taxable objects, including capital gains and dividend income—legal entities and individuals may be subject to an administrative fine of 200% of the concealed tax amount.

The above administrative penalties may be imposed on Subsidiary ZV and their chief executive officers (directors) or other authorized personnel responsible for decisions/actions which led to non-fulfillment.

The following criminal liabilities may also be imposed on investors who are individuals or on chief executive officers (directors) or other authorized personnel of the legal entity investors responsible for decisions/actions which led to non-fulfillment:

- Non-filing of a relevant tax return or introducing deliberately distorted data on income and (or) expenses in a tax return by hiding other objects of taxation:

(iii) For legal entities: if the act results in a non-payment of tax in a large amount (50,000 MCI, circa USD300,000), provided that the amount of taxes and other obligatory payments to the budget for one calendar year from the audited period imposed in the result of a tax audit exceeds 10% of the amount of all taxes and other obligatory payments to the budget calculated by the taxpayer for such calendar year—then their chief executive officers (directors) or other authorized personnel (as legal entities cannot be subject to criminal liability) may be subject to a criminal fine of up to 2,000 MCI, circa USD12,000 or correctional labor of the same value, or engaging in community service for up to 800 hours, or restraint of liberty for up to 3 years, or imprisonment for the same term, with the deprivation of the right to hold certain positions or engage in certain activities for up to 3 years.

(iv) For Individuals: if the act results in a non-payment of tax in a large amount (20,000 MCI, circa USD120,000)—a criminal fine of up to 3,000 MCI, circa USD18,000 or correctional labor of the same value, or engaging in community service for up to 800 hours, or restraint of liberty for up to 3 years, or imprisonment for the same term. Individual may be exempt from criminal liability if he/she voluntarily pays all the assessed taxes, penalties and fines.

Tax non-resident investors if the Acquirer is not a tax agent

In cases when there is no tax agent, the abovementioned liabilities set out in the sub-section headed "Liability for Non-fulfillment of Tax Obligations—Tax resident investors and tax agents" may be imposed on the Disposing Investors or on Subsidiary ZV and their chief executive officers (directors) or other authorized personnel responsible for decisions/actions which led to non-fulfillment.

Potential impact to our Group if neither tax exemptions is available for disposal of the Shares by tax non-resident investors

According to the Tax Code, in the case Kazakhstan tax authorities detect that a tax non-resident investor did not report and/or pay tax on capital gains derived from the sale of the Shares, Kazakhstan tax authorities may seek to recover such tax from Subsidiary ZV. Please refer to the section headed "Risk Factors—Risks Relating to the Global Offering—We may be subject to tax liabilities in the event that Kazakhstan tax non-resident investors who are ineligible for any tax exemptions fail to pay capital gain tax. As a result, our Company, our Directors and the senior management may be held accountable for relevant tax liabilities and may be subject to administrative or criminal penalties" for further details of the risks to our Group in relation to applicability of the tax exemptions.

According to the Tax Code, capital gain tax obligations may also be fulfilled by Subsidiary ZV using funds provided by the acquiring or disposing tax non-resident investor. In this case, capital gain tax should be paid by Subsidiary ZV no later than 25 days after the month in which the tax amount is transferred by the Acquirer or Disposing Investor. Generally, Subsidiary ZV should file the tax return no later than 15th of the second month following the quarter in which the tax amount was received from the Acquirer or Disposing Investor.

According to the Tax Code, in cases where a tax agent did not fulfill its tax obligation, Subsidiary ZV has a right to fulfill such tax obligation using its own funds. In this case, the capital gain tax should be paid by Subsidiary ZV no later than 25 days after the month in which it receives information on the disposal from the tax authorities. Generally, Subsidiary ZV should file the tax return no later than 15th of the second following the quarter in which the information on the disposal was received from the tax authorities.

As advised by our Kazakhstan Tax Advisors, the Company is also liable to dividends withholding tax on dividends paid by the subsidiaries in Kazakhstan.

Mitigation of potential liabilities

To mitigate any potential liabilities to our Group we may:

1. inform investors of changes in taxation rules and regulations in a timely manner on our website and the websites of the Stock Exchange and the AIX such that the investors could assess the impacts in case any exemption discussed above does not apply and update them on their relevant tax obligations;

2. cease to distribute dividends until an effective mechanism has been introduced by Kazakhstan tax authorities for our Group to withhold and pay dividend income tax;

3. bear all costs to set up the relevant systems if tax authorities in Kazakhstan introduce new infrastructure/system which contrary to the current situation, may effectively monitor the tax liability of tax non-resident investors trading the Shares on the AIX and Stock Exchange;

4. monitor tax exposure of our Group by setting up the relevant systems if tax authorities in Kazakhstan introduce new infrastructure/system and inform investors of the respective changes, applicable to investors, accordingly;

5. conduct periodic reviews of tax compliance to ensure all obligations are met, identify potential issues proactively, and establish a robust compliance framework;

6. maintain active communication with the AIX to seek guidance on evolving tax regulations and interpretations for listed issuers, and obtain timely clarifications on any uncertainties; and

7. continue to engage with reputable tax advisors specializing in Kazakhstan tax law when necessary to remain updated on legislative changes, regulatory expectations, and potential implications.

FILING WITH THE CSRC

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**") and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improve and reform the previous regulatory regime for overseas offering and listing of PRC domestic companies' securities and regulate both direct and indirect overseas offering and listing of PRC domestic companies' securities. Any domestic company that is deemed to conduct overseas offering and listing activities shall file with the CSRC in accordance with the Overseas Listing Trial Measures.

As advised by our PRC Legal Advisors, the Global Offering may be considered as an indirect overseas offering and listing activity by a PRC domestic company under the Overseas Listing Trial Measures. Pursuant to the Overseas Listing Trial Measures, where an issuer submits an application for overseas offering to competent overseas regulators, such issuer must file with the CSRC within three business days after such application is submitted.

On February 2, 2024, we submitted the required documents for the listing of our Shares on the Stock Exchange to the CSRC. On June 14, 2024, we submitted to the CSRC the required documents for application of the listing of our Shares on the AIX. The CSRC issued the notification on completion of the filing procedures for the Listing, the AIX Listing and the Global Offering on December 12, 2024. As advised by our PRC Legal Advisor, the Company has completed all necessary filings with the CSRC for the Listing, the AIX Listing and the Global Offering.

PRC RESTRICTIONS ON IMPORT/EXPORT OF TUNGSTEN

Import of Tungsten into the PRC

As advised by our PRC Legal Advisors, there has been no PRC regulatory restriction on the import of tungsten products into China.

Export of Tungsten from the PRC

According to the PRC Foreign Trade Law and other relevant rules and regulations, tungsten and tungsten products shall only be exported by certain state authorized enterprises. The PRC Ministry of Commerce will, after reviewing the application materials submitted by the relevant enterprises, publish a list of the state trade enterprises approved for the export of tungsten and tungsten products on a yearly basis. On top of that, tungsten and tungsten products are goods subject to export restrictions in the form of licensing. According to the Catalogue of Goods subject to Export License Administration (2024), the export of tungsten and tungsten products requires an export license. However, enterprises engaged in the export of tungsten and tungsten alloy with a particles size of below 500 microns may be exempted from acquiring the export license, but shall still acquire a PRC Export License for Dual-use Items and Technologies. As advised by our PRC Legal Advisors, the PRC Ministry of Commerce is the competent authority in charge of the export license administration and is responsible for formulating administrative measures and regulations of the export licenses as well as supervising and examining the implementation of the administrative measures for export licenses.

HISTORY AND DEVELOPMENT

Overview

Our Company was incorporated in Hong Kong in August 2014 by Mr. Liu Liqiang (劉力強), our executive Director and chairman of the Board. For biographical details of Mr. Liu, please refer to the section headed "Directors and Senior Management" in this prospectus.

Following our incorporation and prior to the obtaining of the production right of Boguty Project in March 2016, Baimukhanov Baurzhan, being a shareholder of the Company at that time, was primarily responsible for liaising with Kazakhstan government and local third parties to obtain the tungsten ore production right of Boguty Project in 2015, while Mr. Liu Liqiang was primarily responsible for seeking for financing opportunities for the Company and liaising with third parties in the PRC for the design of the Boguty Project thereafter. In March 2016, we, through acquisition of Subsidiary AK in December 2015, obtained indirect control over Subsidiary ZV, which holds the rights for production of tungsten ore at Boguty tungsten mine, Almaty region, Kazakhstan granted by the MIC. For details of Subsidiary ZV and Subsidiary AK, please refer to the subsection headed "Our Major Subsidiaries" below. Our Company has since then commenced the Boguty Project. For details of the Boguty Project, please refer to "Business" and "Appendix III — Independent Technical Report" to this prospectus.

Milestones of Development

Set out below are the key milestones and achievements in our history to date:

August 2014	• Our Company was incorporated in Hong Kong as a private company limited by shares.
December 2015 . .	• Our Company acquired Subsidiary AK, and in turn, obtained indirect control over Subsidiary ZV, which was granted the tungsten ore production right of the Boguty Project in March 2016, through Subsidiary AK.
January 2017	• Subsidiary ZV entered into a technology development agreement with Hunan Research Institute for Nonferrous Metals (湖南有色金屬研究院, "**Hunan Institute**") in relation to the development and research report on the beneficiation test technology at Boguty Project.
March 2017	• Subsidiary ZV entered into an engineering consulting agreement with Hunan Institute in relation to the report of feasibility studies on Boguty Project.
February 2018 . . .	• Our Company entered into a construction engineering design agreement with Hunan Institute in relation to the preliminary design of the Boguty Project.

June 2018	• The Boguty Project was listed as one of the 45 Sino-Kazakh Key Cooperation Projects (中哈產能重點合作項目) by the National Development and Reform Commission of the PRC (中國國家發展和改革委員會) and the MID.
December 2018 . .	• Jiangxi Copper HK acquired 4,900 Shares, representing 49% of the then issued share capital of our Company, and became one of our Shareholders.
March 2019	• Our Company entered into a contract on semi-autogenous grinding selection test with Luoyang Mining Machinery Engineering Design and Research Institute (洛陽礦山機械工程設計研究院), pursuant to which Luoyang Mining Machinery Engineering Design and Research Institute issued a report on semi-autogenous grinding selection test, a report on the calculation of grinding equipment and a report on the calculation of crushing and grinding equipment in relation to the Boguty Project.
May 2019	• Our Company entered into a corporation framework agreement with China ENFI Engineering Co., Ltd. (中國恩菲工程技術有限公司) (“**ENFI**”), an Independent Third Party, with respect to the design of the Boguty Project.
June 2019	• Our Company entered into a construction design agreement with ENFI to complete the design of the construction of processing engineering with respect to the tungsten ore of the Boguty Project.
June 2020	• The preliminary design of the Boguty Project was completed.
November 2020 . .	• Our Company commenced preliminary construction of the Boguty Project.
March 2021	• Our Company entered into the framework agreement with CCECC in respect of the construction of beneficiation part of the Boguty Project.
May 2021	• CRCCII and CCECC HK subscribed for 1,177 and 588 Shares, representing approximately 10% and approximately 5% of the then issued Share capital of our Company, and became our Shareholders.
May 2021	• Our Company commenced the full-scale construction of the Boguty Project.

July 2023	•	MIID, our Company and Subsidiary ZV entered into an understanding memorandum with regard to the implementation of the Boguty Project.
April 2024	•	Subsidiary ZV entered into a cooperation memorandum with Satbayev University, China Overseas Development Association (中國產業海外發展協會), and BGRIMM Technology Group Co., Ltd. (礦冶科技集團有限公司) to establish a laboratory focused on the research and development of the processing procedure and materials.
November 2024 .	•	Our Company is awarded with "The Best Investor 2024 — The Best Strategic Breakthrough in the Mining Industry" by the Prime Minister of the Republic of Kazakhstan.
	•	Our Company commenced the trial production of the Boguty Project.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had four intermediate holding companies and subsidiaries incorporated or registered in different jurisdictions, including the PRC, Luxembourg and Kazakhstan. We set forth below information about the subsidiaries that we deem significant or made material contribution to our operating results during the Track Record Period:

No.	Name of subsidiary	Date of registration	Place of registration	Ownership as of the Latest Practicable Date	Principal business
1.	Subsidiary ZV	July 31, 2014	Kazakhstan	97% participatory interests held by Subsidiary AK and 3% by Ever Trillion International Singapore Pte. Ltd. ("**Ever Trillion Singapore**")	Implementation of the Boguty Project
2.	Subsidiary AK	December 28, 2011	Kazakhstan	99.99% participatory interests indirectly held by our Company and 0.01% by Mr. Liu Liqiang	Intermediate holding company of Subsidiary ZV

MAJOR CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES OF OUR GROUP

Major shareholding changes of our Company

Our Company was incorporated as a private company limited by shares in Hong Kong on August 29, 2014. Upon our Company's incorporation, an aggregate of 10,000 issued Shares of our Company were wholly owned by Mr. Liu Liqiang, our executive Director and the chairman of the Board. With a view to collaborating with Baimukhanov Baurzhan, an Independent Third Party with established business connections in Kazakhstan, on obtaining the tungsten ore production right of Boguty Project in furtherance of the "The Belt and Road Initiative" ("一帶一路"), on November 2, 2015, Mr. Liu Liqiang transferred 1,237 issued Shares, representing 12.37% of the then issued Shares, to Baimukhanov Baurzhan at a consideration of HK$1,237, determined based on arm's length negotiations between the parties with reference to the then paid-in capital of our Company and settled in cash on November 2, 2015. After Subsidiary ZV's obtaining the tungsten ore production right of the Boguty Project in March 2016, due to his switch of focus on investment and considering the relatively extensive investment cycle of the Boguty Project, Baimukhanov Baurzhan divested from our Company. All of such 1,237 issued Shares were subsequently transferred to Mr. Liu Zijia on March 28, 2017 at a consideration of US$15.5 million, determined based on arm's length negotiations between the parties with reference to the book value of the Company, which had reflected the then net present value of the tungsten ore production right of Boguty Project as determined by an Independent Third Party in March 2016. The consideration was settled in cash on March 28, 2017 and was financed by Mr. Liu Zijia's own funding. Baimukhanov Baurzhan became acquainted with the Group through mutual friends of Mr. Liu Liqiang. As confirmed by the Company and Mr. Liu Liqiang, save for Baimukhanov Baurzhan's investment and divestment in the Company, the Group and Baimukhanov Baurzhan or any of their respective associates do not have any past or present relationships (including, without limitation, business, employment, family, trust, financing, shareholding or otherwise) between them. On December 13, 2018, to further streamline the shareholding structure of the Company at the request of the then investor, i.e. Jiangxi Copper, each of Mr. Liu Liqiang and Mr. Liu Zijia transferred 3,863 and 1,237 issued Shares, representing an aggregate of 51% of the then issued Shares, to Ever Trillion, at a consideration of US$100 and US$100, respectively.

Since incorporation, our Company has undertaken several rounds of equity financings between 2018 and 2023. On February 15, 2023, the issued share capital of the Company was increased without the issuance of new Shares, by way of conversion of Shareholders' loans and/or capital injection by the Shareholders. See "Pre-IPO Investments" in this section for further details.

Major changes of participatory interests in Subsidiary AK

Subsidiary AK was registered as a limited liability partnership under the laws of Kazakhstan on December 28, 2011. Immediately prior to the acquisition of Subsidiary AK by Jiaxin Luxembourg and Mr. Liu Liqiang in November 2015, Subsidiary AK was owned as to 90% by Kaz Grain Food Almaty LLP and 10% by Ms. Anuar Anara (г-жа Ануар Анара), both being Independent Third Parties.

With a view to obtaining control over the underlying assets (i.e. the tungsten ore production right of the Boguty Project) indirectly held by Subsidiary AK, our Company intended to acquire Subsidiary AK through its wholly-owned subsidiary, i.e. Jiaxin Luxembourg. However, Article 10.1 of the Law of the Republic of Kazakhstan "On Limited and Additional Liability Partnerships" ("**Kazakhstan LLP Law**") provides that a limited liability partnership may not have another economic partnership consisting of one person (either in the form of legal entity or individual) as a sole participant. Given that Jiaxin Luxembourg, being a wholly-owned subsidiary of the Company, would therefore be deemed as an economic partnership consisting of one person as a sole participant under the Kazakhstan LLP Law, Subsidiary AK therefore could not be wholly owned by Jiaxin Luxembourg in light of the above legal restriction under the Kazakhstan LLP Law. As such, on November 12, 2015, Kaz Grain Food Almaty LLP and Ms. Anuar Anara on the one hand, and Jiaxin Luxembourg and Mr. Liu Liqiang on the other hand, entered into a share purchase and transfer agreement, pursuant to which Jiaxin Luxembourg acquired a total of 99.99% participatory interests in Subsidiary AK from Kaz Grain Food Almaty LLP (as to 89.99% participatory interests) and Ms. Anuar Anara (as to 10% participatory interests) at a consideration of 136,064.88 Tenge and 15,120 Tenge, respectively; and Mr. Liu Liqiang acquired the remaining 0.01% participatory interests (the "**AK Minority Participatory Interests**") in Subsidiary AK from Kaz Grain Food Almaty LLP at a consideration of 15.12 Tenge. The consideration was determined based on arm's length negotiation between the parties with reference to the then registered share capital of Subsidiary AK, being 151,200 Tenge, and has been fully settled. The share purchase was financed by the Company's and Mr. Liu Liqiang's funding. The re-registration of participants with the Non-Commercial Joint Stock Company "The State Corporation Government for Citizens" in Kazakhstan was completed in December 2015.

As confirmed by our Kazakhstan Legal Advisors, (i) our Company is prohibited from indirectly holding 100% participatory interests in the charter capital of a Kazakhstan limited liability partnership through its wholly-owned subsidiary if such subsidiary is considered as an economic partnership under the applicable Kazakhstan laws and regulations, and (ii) the ownership structure with some minority interests being held by a third party is commonly used in Kazakhstan for limited liability partnerships such as that of Subsidiary AK. As such, the current arrangement with respect to the AK Minority Participatory Interests is necessary for our Company's compliance with the relevant Kazakhstan laws and regulations.

Each of the transfers has been properly and legally completed, and all applicable regulatory approvals have been obtained.

With a view to further enhancing corporate governance safeguards in this regard, our Group and our Shareholders have adopted the following measures to, among others, mitigate the potential conflict of interest arising from the AK Minority Participatory Interests: (i) the general meeting of participants of Subsidiary AK shall take decisions on the appointment of director, being the sole executive body, by simple majority votes under the articles of association (charter) of Subsidiary AK and Kazakhstan laws. As such, Mr. Liu Liqiang will not, in his capacity as a participant of Subsidiary AK, appoint any director, being the sole executive body of Subsidiary AK; and (ii) according to the articles of association (charters) of Subsidiary AK, the change of the partnership's participants, the partnership's registered charter capital or the participatory interest ratio of the partnership's participants shall be subject to a unanimous approval by the general meeting of participants of Subsidiary AK. Further, there is no special right or preferred arrangement exclusively attached to the AK Minority Participatory Interests, and Mr. Liu Liqiang does not enjoy any additional preferred rights or benefits at the level of Subsidiary AK.

Major changes of participatory interests in Subsidiary ZV

Subsidiary ZV was registered under the laws of Kazakhstan on July 31, 2014 with Subsidiary AK holding 97% participatory interests and then called Social Entrepreneurial Corporation "Zhetysu" National Company Joint Stock Company (currently known as "Regional Development Institute "Social-Entrepreneurial Corporation "Zhetisu" Joint Stock Company ("**Zhetisu JSC**")), a Kazakhstan state-owned company and an Independent Third Party, holding the remaining 3% participatory interests in Subsidiary ZV (the "**ZV Minority Participatory Interests**", together with the AK Minority Participatory Interests, the "**Minority Participatory Interests**"). In March 2016, Subsidiary ZV was granted the tungsten ore production right of the Boguty Project by the MID.

In 2021, to address the requirements of CRCC, being the Company's then potential investor, including that, among others, Ever Trillion and its affiliates shall purchase the ZV Minority Participatory Interests from Zhetisu JSC, and shall procure Subsidiary AK to hold no less than 97% participatory interests in Subsidiary ZV, and to expedite the completion of investment by CRCC, Mr. Liu Liqiang agreed to purchase the ZV Minority Participatory Interests for a consideration of 355,501,250 Tenge (equivalent of US$850,000) from Zhetisu JSC by way of entering into a nominee arrangement with Subsidiary AK (the "**Nominee Arrangement**") in 2021. In December 2021, Mr. Liu Liqiang, Subsidiary AK and the Company formalized the Nominee Arrangement by entering into a trust arrangement deed (the "**Deed**"), pursuant to which Subsidiary AK shall purchase the ZV Minority Participatory Interests on behalf of Mr. Liu Liqiang and hold the ZV Minority Participatory Interests in trust for Mr. Liu Liqiang and shall transfer the ZV Minority Participatory Interests to a third-party nominee to be designated by Mr. Liu Liqiang where and when appropriate.

In June 2022, Subsidiary AK entered into a sale and purchase agreement with Ever Trillion Singapore, pursuant to which Subsidiary AK shall transfer the ZV Minority Participatory Interests to Ever Trillion Singapore for US$850,000. Ever Trillion Singapore is a company incorporated in Singapore on January 9, 2019, which is owned as to 90% by Mr. Liu Zijia, one of our Controlling Shareholders and the son of Mr. Liu Liqiang, and as to 10% by Mr. Terlyga Nazariy, the executive director and deputy general manager of Subsidiary ZV, both of which are connected persons of our Company. Ever Trillion Singapore primarily engages in investment holding. The transfer of the ZV Minority Participatory Interests was approved by the MIID of Kazakhstan in May 2023 (the then competent authority in the mining industry in Kazakhstan, which starting from September 1, 2023 was re-organized to MIC), and the re-registration of participants with the Non-Commercial Joint Stock Company "The State Corporation Government for Citizens" in Kazakhstan was completed in July 2023, by virtue of the completion of which the Nominee Arrangement had been terminated pursuant to the Deed. The consideration has been fully settled on March 18, 2024.

Our Kazakhstan Legal Advisors have confirmed that each of the transfers has been properly and legally completed, and all applicable regulatory approvals have been obtained.

Taking into account the advice by the then legal advisors to our Company as to Hong Kong law in relation to the Nominee Arrangement, our Directors consider that, before the termination of the Deed and the Nominee Arrangement, the Deed was valid, effective and binding upon Mr. Liu Liqiang and the Company under Hong Kong laws (i.e. the governing law of the Deed). Further, as confirmed by the Kazakhstan Legal Advisors, before the termination of the Deed and the Nominee Arrangement, the Deed and the Nominee Arrangement were valid, effective and enforceable against the Group and did not contradict mandatory provisions under applicable Kazakhstan laws and regulations.

With a view to further enhancing corporate governance safeguards in this regard, our Group and our then Shareholders have adopted the following measures to, among others, to mitigate the potential conflict of interest arising from the ZV Minority Participatory Interests: (i) the general meeting of participants of Subsidiary ZV shall take decisions on the appointment of general director, being the sole executive body, by simple majority votes under the articles of association (charter) of Subsidiary ZV and Kazakhstan laws. As such, Ever Trillion Singapore will not, in its capacity as a participant of Subsidiary ZV, appoint any general director, being the sole executive body of Subsidiary ZV; and (ii) according to the articles of association (charters) of Subsidiary ZV, the change of the partnership's participants, the partnership's registered charter capital or the participatory interest ratio of the partnership's participants shall be subject to a unanimous approval by the general meeting of participants of Subsidiary ZV. Further, there is no special right or preferred arrangement exclusively attached to the ZV Minority Participatory Interests, and Ever Trillion Singapore does not enjoy any additional preferred rights or benefits at the level of Subsidiary ZV.

Our Company does not intend to acquire the Minority Participatory Interests even if the aforesaid ownership restriction is lifted, considering the following procedures are time consuming: (i) as advised by our Kazakhstan Legal Advisors, subject to certain exceptions as set by the SSU Code, any change of participatory interests in Subsidiary AK and Subsidiary ZV, either directly or indirectly, will be subject to substantive review, approval and post-completion filing procedures with MIC. Given the large amount of documentation involved, it is uncertain as to the complication, difficulty and timing required for completing the above-mentioned review, approval and filing procedures; (ii) as advised by our PRC Legal Advisors, the respective Overseas Direct Investment ("**ODI**") filings made by Jiangxi Copper and CRCC in relation to their investments in our Company have been completed, and any further acquisition of the Minority Participatory Interests by the Group will be considered as changes in the investment amount made by Jiangxi Copper and CRCC, respectively. As such, any reorganization with respect to the Minority Participatory Interests will require various new filings and registration to be made, including updated ODI filing applications to provincial branch of National Development and Reform Commission (國家發展和改革委員會) and provincial Department of Commerce (商務廳) of the PRC, as well as the foreign currency registration at local banks; and (iii) given that Jiangxi Copper and CRCC are both state-owned enterprises, their investments are subject to strict state-owned assets management laws and procedures, including, among others, the Law of the People's Republic of China on State-Owned Assets in Enterprises (《中華人民共和國企業國有資產法》). As the acquisitions of the Minority Participatory Interests are considered as changes in the respective investment by Jiangxi Copper and CRCC, they will be subject to the scrutiny of relevant state-owned assets regulatory institution.

Major acquisitions, disposals and mergers

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, mergers or disposals.

LOAN ARRANGEMENT BETWEEN EVER TRILLION AND GOLDBLINK

Mr. Liu Zijia, Ever Trillion and Goldblink entered into the Loan Agreement on November 20, 2023 in relation to certain financing arrangements. Such arrangement is exclusively a financial arrangement between these two parties in nature, and the Group is not involved in the Loan Agreement, nor will it bear any responsibility for either the repayment or receipt of any portion of the loan amount. The financing arrangements were entered into (i) as a part of internal financial and wealth management for Ever Trillion and Mr. Liu Zijia on the one hand; and (ii) for Goldblink, on the other hand, to diversify its investment portfolio and to obtain an option to share future profits generated from the production at Boguty Project, as a demonstration of its confidence in the Group's business prospects given it is in line with the "The Belt and Road Initiative" ("一帶一路").

The Loan Agreement would allow Mr. Liu Zijia to improve his financial liquidity in a timelier manner and without putting tremendous pressure on our Company's trading price. As further detailed below, under the Loan Agreement, Ever Trillion may withdraw and use 50% of the principal amount of the Goldblink Loan immediately if Goldblink opts to exercise its Goldblink Call Option within five business days after the Listing Date, which amounts to HK$228,925,000. However, if the Loan Agreement was not entered into, the earliest time that Mr. Liu Zijia or Ever Trillion could sell their shareholding in our Company to improve their financial liquidity would only be after six months from the Listing Date (in compliance with the lock-up requirement under Rule 10.07 of the Listing Rules) and only for a maximum of 2.51% of the total issued Shares in our Company (assuming the Over-allotment Option is not exercised). Assuming such Shares were sold at the Offer Price, the proceeds of such sale of Shares would still be significantly less than 50% of the principal amount of the Goldblink Loan which would be ready to use by the sixth business days after the Listing Date.

The key terms of the Loan Agreement are as follows:

Principal amount	:	Goldblink agrees to provide a loan to Ever Trillion in the principal amount of HK$457,850,000 (the "**Goldblink Loan**"), which has been deposited into a bank account as designated in the Loan Agreement (the "**Account**") prior to 28 clear days before the date on which the Company submits its listing application with the Stock Exchange.
Security	:	As security for the Goldblink Loan, Mr. Liu Zijia agrees to pledge 44,000 issued shares of Ever Trillion (the "**Pledge Shares**"), representing 44% of the total issued shares in Ever Trillion held by him, to Goldblink (the "**Goldblink Pledge**"). In addition, Mr. Liu Zijia and Mr. Liu Liqiang will also provide personal guarantee for the Goldblink Loan (the "**Personal Guarantee**").
Maturity date	:	The maturity date of the Goldblink Loan (the "**Maturity Date**") shall be: (i) September 30, 2025 or such other date as otherwise mutually agreed, if the Global Offering is not completed by September 30, 2025;

(ii) the sixth business day after the Listing Date or such other date as separately informed by Goldblink, if the Global Offering is completed on or before September 30, 2025 while Goldblink opts to request repayment of the Goldblink Loan by Ever Trillion during the Goldblink Option Period (as defined below); or

(iii) the completion date upon which Goldblink acquired the Target Shares (as defined below) or such other date as separately agreed by Goldblink, if the Global Offering is completed on or before September 30, 2025 and Goldblink opts to exercise the Goldblink Call Option (as defined below) during the Goldblink Option Period.

Use and repayment of the Goldblink Loan and the Accrued Interests	:	the Goldblink Loan and interest accrued in accordance with the applicable deposit rate offered by the relevant bank thereupon (the "**Accrued Interests**") shall be retained in the Account after the advancement of the Goldblink Loan. The applicable interest rate as at the date of advancement of the Goldblink Loan was 5% per annum. The expected amount of the Accrued Interests at the current interest rate is (i) US$3.1 million (assuming the Global Offering is not completed by September 30, 2025), (ii) US$3.1 million (assuming the Global Offering is completed on the Listing Date and Goldblink opts to exercise its Goldblink Call Option), and (iii) US$1.6 million (assuming the Global Offering is completed on the Listing Date and Goldblink opts to request full repayment of the Goldblink Loan).

In the event where (i) the Global Offering is not completed by September 30, 2025 or (ii) the Global Offering is completed by September 30, 2025 while Goldblink opts to request full repayment of the Goldblink Loan and the Accrued Interests by Ever Trillion:

(a) the Goldblink Loan shall be terminated;

(b) Ever Trillion shall repay the principal amount of Goldblink Loan and the Accrued Interests for the period from the advancement of the Goldblink Loan up to the Maturity Date;

(c) the director at the board of Ever Trillion appointed by Goldblink shall resign; and

(d) Goldblink shall release the Goldblink Pledge and the Personal Guarantee upon receiving full repayment of the principal amount of Goldblink Loan and the Accrued Interests.

In the event where the Global Offering is completed by September 30, 2025 and Goldblink opts to exercise its Goldblink Call Option and to release the Goldblink Pledge, among others:

(a) since the date of notice by Goldblink to Ever Trillion of the exercise of the Goldblink Call Option, Ever Trillion may withdraw and use 50% of the principal amount of the Goldblink Loan;

(b) conditional upon the completion of the transfer of Target Shares to Goldblink, Ever Trillion shall be released from the repayment obligation of the Goldblink Loan, the principal amount of which will be credited against the purchase price of the Target Shares payable by Goldblink to Ever Trillion. Ever Trillion may withdraw and use 100% of the principal amount of the Goldblink Loan upon completion of the acquisition of the Target Shares by Goldblink;

(c) on the Maturity Date, Ever Trillion shall return the Accrued Interests for the period from the date of the advancement of the Goldblink Loan up to the Maturity Date to Goldblink; and

(d) the Target Shares shall be transferred by Ever Trillion to Goldblink pursuant to the definitive transaction documents upon completion, and the Goldblink Pledge and Personal Guarantee shall be simultaneously released.

Goldblink Call Option . . . . :	Conditional upon the completion of the Global Offering by September 30, 2025, Goldblink will have a call option to acquire such number of Target Shares of the Company from Ever Trillion, which shall be 1,567 shares of the Company before the Share Subdivision (amounting to 43,876,000 Shares of the Company immediately following the Share Subdivision), subject to further adjustment to the total issued share capital of the Company in the event of share subdivision, distribution of bonus shares or share consolidation (if applicable) during the period from the date of entering into the Loan Agreement to the closing date of the exercise of the Goldblink Call Option. The purchase price for the Target Shares equals to the principal amount of the Goldblink Loan. The amount of the Goldblink Loan and the number of the Target Shares were determined based on arm's length discussion with reference to the fair market value of the equity interests in the Group evaluated by an Independent Third Party. Goldblink may, at its sole discretion with a period of five business days following the Listing Date (the "**Goldblink Option Period**"), choose, by way of a written notice to Ever Trillion, to either (A) request full repayment of the Goldblink Loan and the Accrued Interests by Ever Trillion; or (B) exercise the Goldblink Call Option. The pledge over the Pledge Shares will be released upon the full repayment of the Goldblink Loan and Accrued Interests or the completion of the acquisition of the Target Shares (as the case may be). Should Goldblink opt to exercise the Goldblink Call Option, the signing of the definitive transaction agreement (including a share purchase agreement in agreed form) and the completion of such acquisition of the Target Shares by Goldblink will take place after the expiry of 12-month period immediately following the Listing Date and subject to compliance with all applicable laws (including but not limited to the Listing Rules and the Takeovers Code), with a view to ensuring full compliance by Ever Trillion and Mr. Liu Zijia with Rule 10.07 of the Listing Rules. Prior to the completion of the acquisition of the Target Shares by Goldblink, Goldblink shall not have any right, including voting right and the right to dividend, of the Target Shares.

Upon completion of the acquisition of the Target Shares by Goldblink, the Goldblink Loan shall be terminated and the Goldblink Pledge shall be released.

Undertakings provided by Mr. Liu Zijia	:	Within 30 days after the advancement of the Goldblink Loan, Mr. Liu Zijia shall ensure the appointment of one director nominated by Goldblink at the board of directors of Ever Trillion, who shall have access to meetings and discussions in relation to the operation of Ever Trillion and the Proposed Listing (the "**Goldblink Information Right**"). In addition, Mr. Liu Zijia and Ever Trillion shall use reasonable effort to support Goldblink's involvement in discussions over the Group's product sales arrangement (the "**Goldblink Participation Right**"). The Goldblink Participation Right was intended to provide Goldblink and its nominated director at Ever Trillion with access to information on any progress in relation to the Group's sales plan before the commencement of production at Boguty Project as well as to allow Goldblink to provide suggestions when it deems necessary. Following the completion of the Global Offering and should Goldblink duly exercised the Goldblink Call Option, subject to compliance with applicable laws and regulations, Mr. Liu Zijia and Ever Trillion shall use reasonable effort to support candidate proposed by Goldblink to be elected as a director of the Company.
Undertakings provided by Goldblink.	:	Goldblink agrees and undertakes that the exercise of the Goldblink Call Option shall comply with the applicable laws (including but not limited to the Listing Rules and the Takeovers Code). Goldblink undertakes that it shall enforce the pledge over the Pledge Shares only to the extent to acquire the Target Shares and in compliance with the applicable laws and regulations (including the Listing Rules and the Takeovers Code). In addition, Goldblink will assist Ever Trillion and Mr. Liu Zijia to comply with the lock-up requirement under Rule 10.07 of the Listing Rules and will not acquire the Target Shares at any time during the twelve-month lock-up period following the Listing Date.

Exercise of the Goldblink Call Option

Pursuant to the Loan Agreement, Goldblink may exercise the Goldblink Call Option in full (but not in part) and acquire all the Target Shares, being 1,567 shares of the Company before the Share Subdivision (amounting to 43,876,000 Shares of the Company immediately following the Share Subdivision).

Pursuant to the Loan Agreement, in the event that Goldblink opts to exercise the Goldblink Call Option after the Listing and assuming the Over-allotment Option is not exercised and there are no changes to the shareholding of Ever Trillion and Goldblink and the issued share capital of the Company, then immediately after the completion of the acquisition of the Target Shares by Goldblink (which at the earliest would be at the expiry of a 12-month period immediately following the Listing Date), Goldblink would hold 43,876,000 Shares, representing 9.99% of the share capital of our Company, and Ever Trillion would hold 98,924,000 Shares, representing 22.52% of the share capital of our Company. Therefore, in such circumstances, Mr. Liu Zijia and Ever Trillion would cease to be our Controlling Shareholders.

Information about Goldblink

Goldblink, a limited company incorporated in the British Virgin Islands, is a wholly-owned subsidiary of LVYY GROUP LIMITED. LVYY GROUP LIMITED is in turn ultimately wholly owned by Mr. Lyu Wenyang through LVYY Group Holding Limited. Mr. Lyu Wenyang has extensive experience in capital markets and investment, including, among others, investment in Kingwisoft Technology Group Company Limited (金慧科技集團股份有限公司) (a company listed on the Growth Enterprise Market of the Stock Exchange (stock code: 8295)). Each of Goldblink and Mr. Lyu is an Independent Third Party of the Company. Mr. Lyu became acquainted with Mr. Liu Liqiang through introduction by mutual friends. The Goldblink Loan is financed by its own source of funding.

PRE-IPO INVESTMENTS

Principal Terms of the Pre-IPO Equity Financing

Our Group has received certain equity financing from the following Pre-IPO Investors since the commencement of our business. The table below sets forth the principal terms of such Pre-IPO equity financing received by our Company:

Pre-IPO Investor	Jiangxi Copper HK		CRCCII		CCECC HK	
Date of the investment agreement/Shareholders' resolutions	November 7, 2018 and September 25, 2019	February 15, 2023[(1)]	August 30, 2020	February 15, 2023[(1)]	August 30, 2020	February 15, 2023[(1)]
Shares in our Company being acquired/subscribed for	4,900 Shares	N/A[(2)]	1,177 Shares	N/A[(2)]	588 Shares	N/A[(2)]

Pre-IPO Investor	Jiangxi Copper HK		CRCCII		CCECC HK	
Shares immediately following the Share Subdivision	137,200,000	N/A	32,956,000	N/A	16,464,000	N/A
Total consideration paid	RMB490,608,957.49	RMB72,887,500	RMB147,058,823.53	RMB17,500,000	RMB73,529,411.76	RMB8,750,000
Date on which investment was fully settled	June 22, 2021	May 15, 2023	June 16, 2021	May 15, 2023	June 16, 2021	May 15, 2023
Basis of consideration	The relevant consideration was determined after arm's length negotiations between our Company and each of the Pre-IPO Investors with reference to the financial performance and the business valuation of our Company, the timing of the investments, the status of our business and operation and our future prospects.					
Cost per Share	RMB100,124.28	N/A(2)	RMB124,943.78	N/A(2)	RMB125,050.02	N/A(2)
Post-money valuation of our Company	RMB1,001,242,770.40	RMB1,645,588,235.30	RMB1,470,588,235.3	RMB1,645,588,235.30	RMB1,470,588,235.3	RMB1,645,588,235.30
Discount to the Offer Price(3)	64.00%	N/A(2)	55.08%	N/A(2)	55.04%	N/A(2)
Lock-up	Subject to the lock-up requirements under Rule 10.07 of the Listing Rules.	N/A(2)	Not subject to lock-up	N/A(2)	Not subject to lock-up	N/A(2)
Use of proceeds(4)	The proceeds have been fully utilized for contribution into our Group as investment capital to be used for the construction of the Boguty Project, and daily capital expenditures and general working capital requirements.					
Strategic benefits of the investments brought to our Company	Our Directors are of the view that our Company would benefit from the additional capital provided by the Pre-IPO Investors' investments in our Company and receive strategic support from our state-owned shareholders and the Pre-IPO Investments would facilitate the implementation of the Boguty Project, with the Pre-IPO Investors' experiences in the exploration, construction, mining and production of mineral resources.					
Approximate shareholding in our Company immediately before the Global Offering	41.65%		10%		5%	
Approximate shareholding in our Company immediately after the Global Offering assuming the Over-allotment Option is not exercised	31.24%		7.50%		3.75%	

Notes:

1. Being the date of the Shareholders' resolutions with respect to the conversion of Shareholders' loans and capital injection into our Company by our Shareholders.

2. No new Shares were issued by the Company. The issued share capital was increased by way of conversion of Shareholders' loans and/or capital injection by the Shareholders. In particular, each of Ever Trillion and Jiangxi Copper HK converted its loan of RMB75,862,500 and RMB72,887,500, respectively, and each of CRCCII and CCECC HK made a capital injection of RMB17,500,000 and RMB8,750,000, respectively, into the Company.

3. The discount to the Offer Price is calculated based on the Offer Price being HK$10.92 per Share.

4. Such proceeds do not include the consideration for Jiangxi Copper HK's acquisition of 4,900 Shares from Mr. Liu Liqiang, which was directly paid to Mr. Liu Liqiang by Jiangxi Copper HK.

Special rights

Pursuant to an option agreement dated September 25, 2019 entered into by Jiangxi Copper HK and Ever Trillion, Jiangxi Copper HK was granted a call option to purchase 2% of issued Shares in our Company from Ever Trillion (the "**Jiangxi Copper Call Option**"). Jiangxi Copper HK and Ever Trillion subsequently entered into a supplemental agreement dated January 3, 2024, pursuant to which the Jiangxi Copper Call Option has ceased to be effective immediately from the day prior to the date on which our Company submits its application for Listing. The Jiangxi Copper Call Option was granted in the above agreements which were entered into between Jiangxi Copper HK and Ever Trillion, and the Company is not a party to those agreements granting such option. Considering that the Company is not a party to those agreements and has no obligation to settle such option, no liability was recorded during the Track Record Period. As confirmed by the Company, (1) there are no other side arrangements between the Company and Ever Trillion or between the Company and Jiangxi Copper HK regarding such option; and (2) the Company did not provide any guarantee on the Jiangxi Copper Call Option as granted by Ever Trillion in the aforementioned agreements. As confirmed by each of Ever Trillion and Jiangxi Copper HK, there are no other side arrangements between them regarding the Jiangxi Copper Call Option.

In addition to the Jiangxi Copper Call Option which has already ceased to be effective as disclosed above, all the existing special rights granted to the Pre-IPO Investors and Goldblink, including, among others, the pre-emptive right, right of first refusal, right of co-sale, director nomination right, consent right for certain corporate actions, and information right (including the Goldblink Information Right and the Goldblink Participation Right) will be terminated upon the Listing.

Compliance with the Guide for New Listing Applicants

On the basis that (i) the considerations for the Pre-IPO Investments and the Goldblink Loan have been settled more than 28 clear days before the date of our first submission of the listing application to the Stock Exchange; and (ii) except as disclosed above, none of the Pre-IPO Investors and Goldblink is entitled to any special rights under the pre-IPO investments or the Goldblink Loan, the Sole Sponsor is of the view that based on the documents provided by the Company relating to the Pre-IPO Investments and the Goldblink Loan, the Pre-IPO Investments and the Goldblink Loan are in compliance with the Pre-IPO Investment Guidance as sets out in Chapter 4.2 of the Guide for New Listing Applicants.

Information about the Pre-IPO Investors

Save as disclosed herein, (i) each of the Pre-IPO investors does not have any past or present relationship with any other Pre-IPO investors and their respective ultimate beneficial owners; and (ii) each of the Pre-IPO investors does not have any past or present relationships with our Company and subsidiaries, their respective controlling shareholders, directors, chief executive or any of their respective associates.

Jiangxi Copper HK

Jiangxi Copper HK, a limited company incorporated in Hong Kong, is a wholly-owned subsidiary of Jiangxi Copper. Jiangxi Copper (a company listed on the Stock Exchange (stock code: 0358) and the Shanghai Stock Exchange (stock code: 600362)) is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Jiangxi Province through Jiangxi Copper Corporation Limited (江西銅業集團有限公司), holding approximately 43.72% equity interests in Jiangxi Copper as of September 30, 2024. Jiangxi Copper is principally engaged in the copper and gold mining and dressing, smelting and processing; extraction and processing of scattered metals; sulphuric chemistry as well as finance and trading fields. Jiangxi Copper became acquainted with the Group through a friend of Mr. Liu Liqiang.

CRCCII

CRCCII, a limited company incorporated in Hong Kong, is a wholly-owned subsidiary of CRCC. CRCC (a company listed on the Stock Exchange (stock code: 1186) and the Shanghai Stock Exchange (stock code: 601186)) is in turn ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council through China Railway Construction Corporation (中國鐵道建築集團有限公司). CRCC is primarily engaged in the construction operation, planning, design and consultancy, investment operation, real estate development, manufacturing, materials and logistics, environmental protection, industry finance and other emerging industries.

CCECC HK

CCECC HK, a limited company incorporated in Hong Kong, is a wholly-owned subsidiary of CRCC through CCECC.

PUBLIC FLOAT AND FREE FLOAT

Public Float

As (i) Jiangxi Copper HK, will become a substantial shareholder of our Company and (ii) each of CRCCII and CCECC HK, which is controlled by CRCC, will become a core connected person of our Company upon the completion of Global Offering assuming the Over-allotment Option is not exercised, none of Jiangxi Copper HK, CRCCII and CCECC HK will be counted towards the public float of our Company.

Pursuant to Rule 8.08(1) of the Listing Rules, where the expected market value at the time of listing does not exceed HK$6,000,000,000, at least 25.0% of the total issued share capital of our Company must at all times be held by the public. Immediately following the Share Subdivision and upon completion of the Global Offering (assuming the Over-allotment Option are not exercised), the Company's total issued Shares is 439,228,800 Shares, among which 109,808,800 Shares, representing approximately 25.00% of the total issued Shares, will be counted towards the public float for the purpose of Rule 8.08(1) of the Listing Rules.

According to Rule MLR 11 of AIX Markets Listing Rules, a minimum level of 10.0% of our Shares for which the application for admission in the AIX has been made have to be in public hands. According to Rule MLR 14.1 of AIX Markets Listing Rules, the "shares in public hands" requirement under the Rule MLR 11 will not apply upon admittance of the Shares to the listing on the Stock Exchange. In addition, under the AIX Regional Equity Market Rules (REM 3.1(e)), as applicable to REM companies (i.e., the companies free-float market capitalization of which on AIX and other stock exchanges does not exceed USD200 million) the threshold for "shares in public hands" is decreased to 10%. AIX has the right to decrease such minimum amount even more. Transfer of securities (including Shares) from the AIX to the Stock Exchange for trading is allowed; and arbitrage between the two markets, namely AIX and the Stock Exchange, can take place.

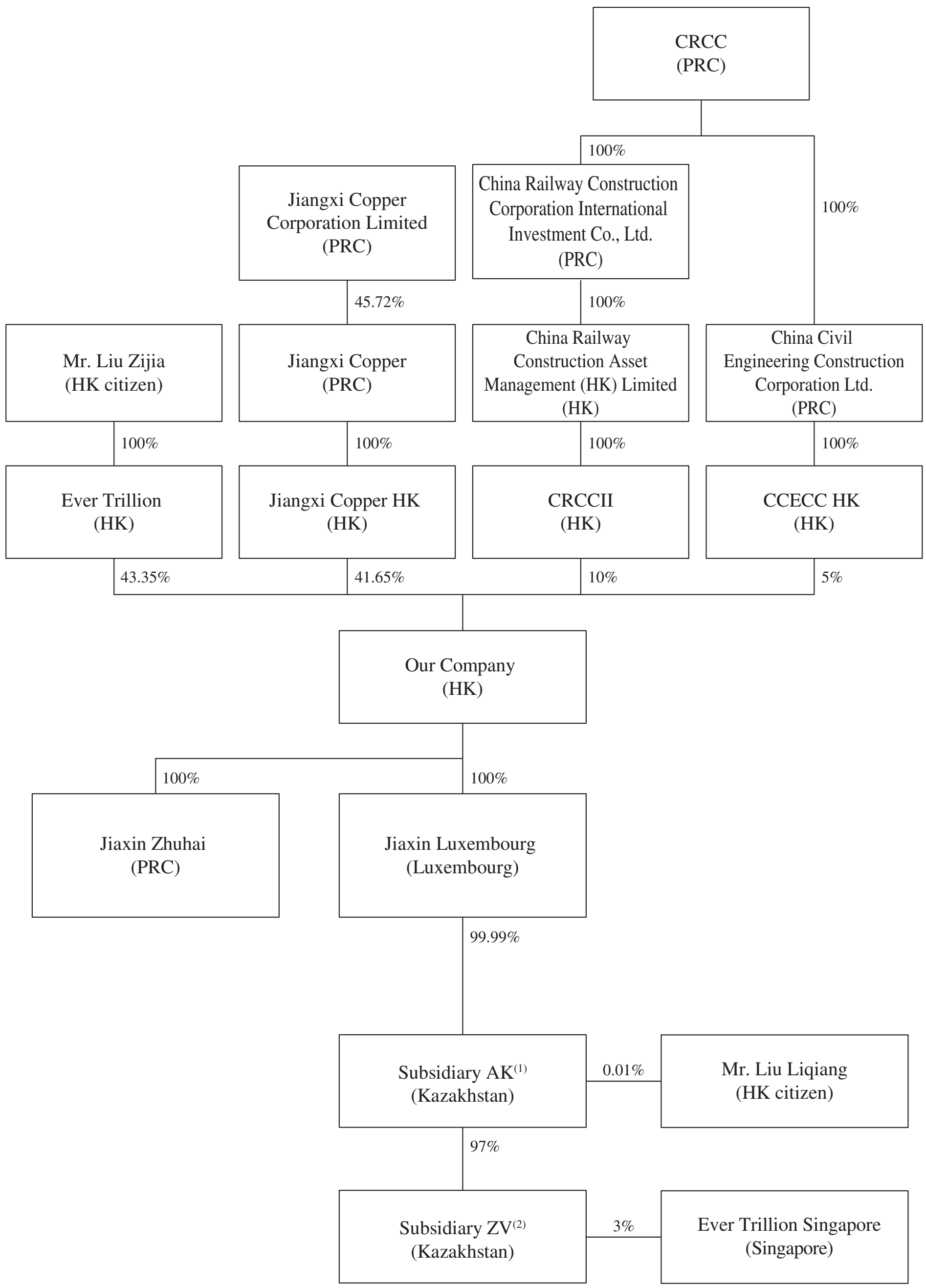
Free Float

Rule 8.08A of the Listing Rules provides that, there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of the class of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (1) represent at least 10% of the total number of issued shares in the class of shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (2) have an expected market value at the time of listing of not less than HK$600,000,000.

Each of the Cornerstone Investors has agreed to a lock-up period of six months following the Listing Date. As such, Shares held by the Cornerstone Investors upon the Listing shall not be counted towards the free float of the Shares of the Company at the time of Listing. Based on an Offer Price of HK$10.92 per Share, the Company is expected satisfy the free float requirement under Rule 8.08A of the Listing Rules.

CORPORATE STRUCTURE IMMEDIATELY BEFORE THE COMPLETION OF THE GLOBAL OFFERING

The following diagram sets forth the corporate and shareholding structure of our Group immediately before the completion of the Global Offering:



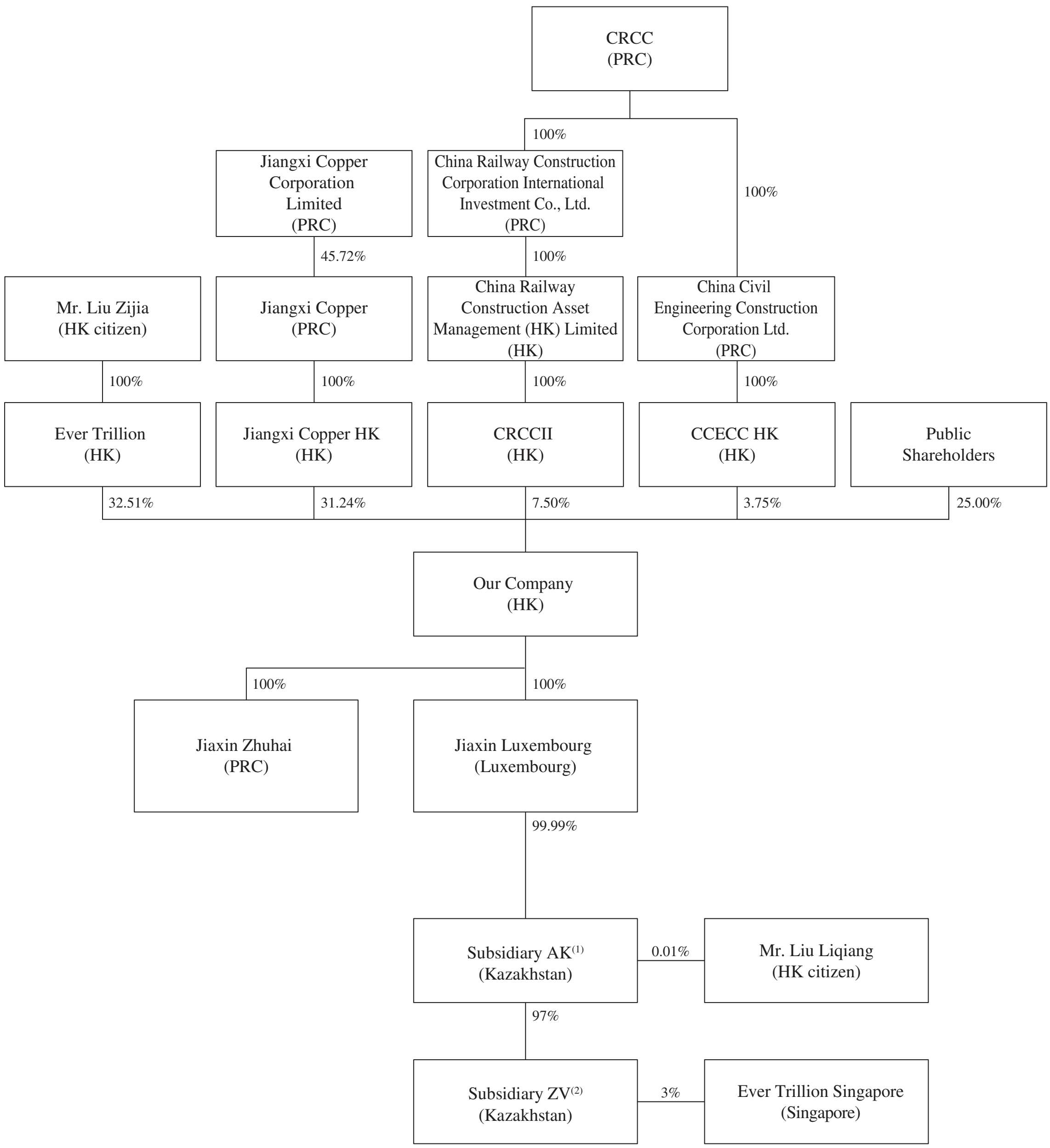
Notes:

(1) For details, please refer to "— Major changes of participatory interests in Subsidiary AK" in this section.

(2) For details, please refer to "— Major changes of participatory interests in Subsidiary ZV" in this section.

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE COMPLETION OF THE GLOBAL OFFERING

The following diagram sets forth the corporate and shareholding structure of our Group immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised):

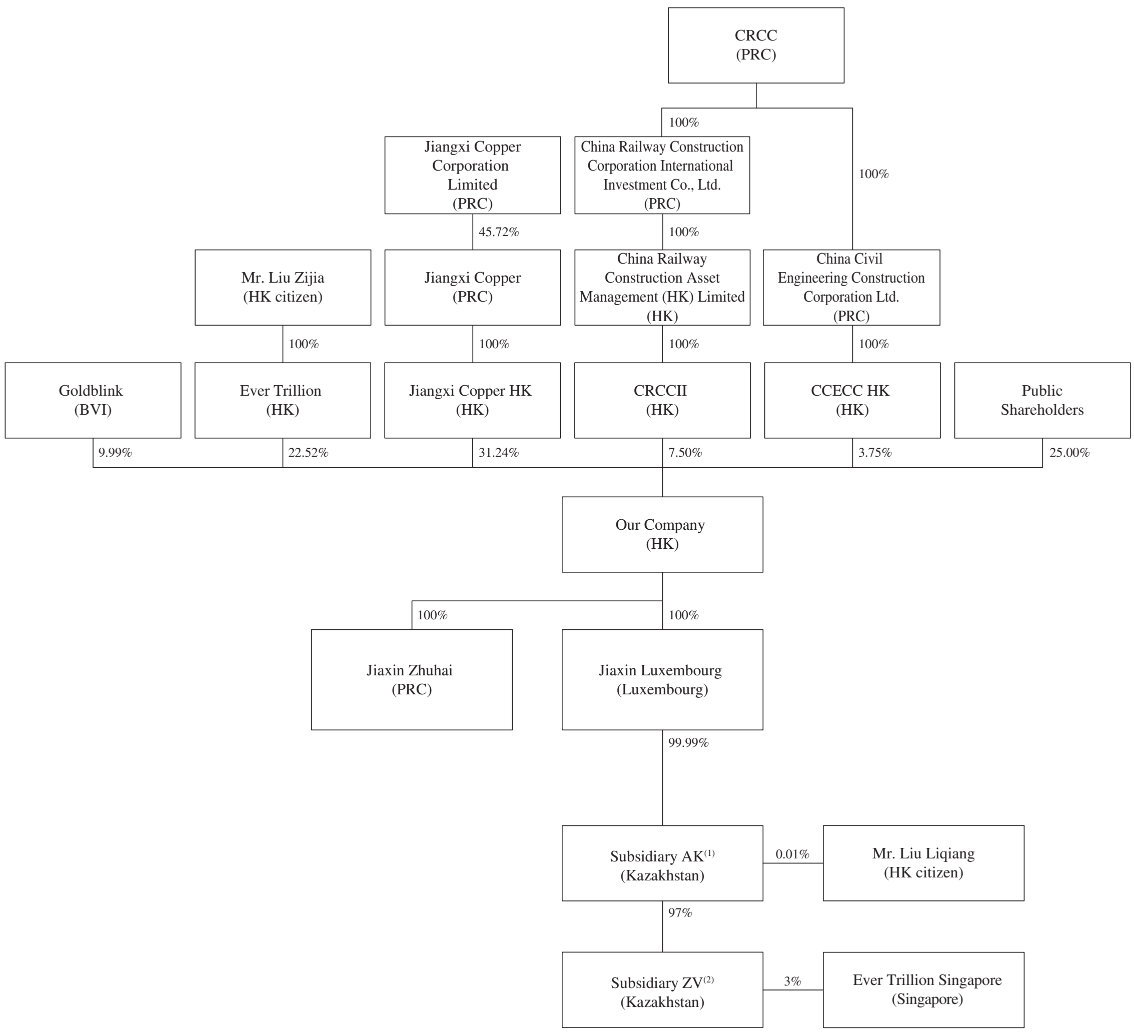


Notes:

Notes (1) to (2): Please refer to the corporate structure immediately before the completion of the Global Offering.

CORPORATE STRUCTURE WITH RESPECT TO THE EXERCISE OF GOLDBLINK CALL OPTION

The following diagram sets forth the corporate and shareholding structure of our Group after the expiry of a 12-month period immediately following the Listing Date, assuming (i) the Over-allotment Option is not exercised; (ii) there are no changes to the shareholding of all shareholders and the issued share capital of our Company; (iii) the Goldblink Call Option is exercised in full during the Goldblink Option Period(3); and (iv) the acquisition of the Target Shares by Goldblink is completed(3):



Notes:

Notes (1) to (2): Please refer to the corporate structure immediately before the completion of the Global Offering.

(3): Please refer to "— Loan Arrangement Between Ever Trillion and Goldblink" for further details.

OUR LISTING ON THE AIX

Starting from June 1, 2022 (following the retrospective amendments introduced by the Law on Amendments), (i) the Global Offering is exempted from prior written permission of the AFR; and (ii) the Company is not subject to mandatory offer of the new Shares for purchase on any local stock exchange in Kazakhstan (including AIX and KASE) as part of the International Offering. Nevertheless, in order for the investors to enjoy the benefits of the AIFC Exemption, our Shares will be listed and offered for acquisition on the AIX. As such, along with the Hong Kong Public Offering and as part of the International Offering, our Company will, through the AIX Offering, offer not less than 1,317,600 Shares on the AIX.

Our Company intends to maintain the proposed listing of our Shares on the Official List of the AIX alongside the proposed listing of our Shares on the Stock Exchange. Application has been made to (i) the Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued pursuant to the Global Offering; and (ii) the AIX to admit our Shares to be issued pursuant to the AIX Offering to the Official List of the AIX, and to admit the Shares for trading on the AIX.

REASONS FOR SEEKING LISTING ON THE STOCK EXCHANGE AND THE AIX

We are currently seeking for listing of our Shares on the Main Board of the Stock Exchange and the AIX. Our Directors consider that while it is important to obtain the dual listing status, it would also be beneficial for our Company and in the interest of our Shareholders as a whole to have our Shares listed in Hong Kong and Kazakhstan for the following reasons:

(i) the Boguty Project is listed as a Sino-Kazakh Key Cooperation Projects and the listing in Hong Kong and Kazakhstan can facilitate “The Belt and Road Initiative” policy and the communication between PRC and Kazakhstan as a whole;

(ii) the stock markets in Hong Kong and Kazakhstan attract different investors. The dual listing in Hong Kong and Kazakhstan will likely provide our Company with ready access to two different equity markets. The Stock Exchange, as a leading player of the international financial market, could offer us direct access to the international capital market, enhance our fund-raising capabilities and broaden our shareholders base. The AIX is a leading stock exchange in Kazakhstan, where our Boguty Project is located and thereby allows local investors, who are familiar with our local business and operations, to invest in us. Accordingly, the listing on the Stock Exchange and the AIX would provide us a diverse and viable source of capital to support our business growth; and

(iii) a listing status on the Hong Kong Stock Exchange will further enhance our business profile in Hong Kong and the PRC and thus, strengthen our ability to attract customers, business partners and strategic investors as well as to recruit, motivate and retain key management personnel for our Group’s business.

This section contains information regarding our Boguty Project and our operations. Unless otherwise indicated, all technical data in this section is extracted from or based on the Independent Technical Report, which is included as Appendix III to this prospectus. In addition, we commissioned Frost & Sullivan to prepare the Frost & Sullivan Report. Unless otherwise indicated, information and statistics relating to the tungsten ore exploration and production industry in this section and other sections of this prospectus have been derived from the Frost & Sullivan Report.

We are a mining company with limited operating history. Certain business prospects and our market position described below, including but not limited to our planned production schedule and development plan, are based on forward-looking statements rather than historical facts. Forward-looking statements involve inherent risks and uncertainties and are subject to assumptions, some of which are beyond our control. We caution you that a number of important factors could cause actual outcomes to differ materially from those expressed in any forward-looking statements. Please refer to the sections headed "Forward-Looking Statements" and "Risk Factors" in this prospectus for further details about such risks and uncertainties.

OVERVIEW

We are a tungsten mining company focusing on the development of our Boguty Project based in Kazakhstan, which was the world's largest open-pit tungsten mine in terms of Mineral Resources of tungsten trioxide (WO_3) as of December 31, 2024, according to Frost & Sullivan. As of December 31, 2024, our Boguty tungsten mine was also the world's fourth largest tungsten mine (including both open-pit and underground tungsten mines) in terms of Mineral Resources of WO_3, having the world's largest designed tungsten concentrate production capacity among single tungsten mines, according to Frost & Sullivan. During the Track Record Period, we primarily focused on preparing the Boguty Project for commercial production, and the phase I commercial production of the Boguty Project commenced in April 2025 with a target annual mining and processing capacity of 3.3 Mt of tungsten ore in 2025.

According to the Independent Technical Report, the estimated Mineral Resources of our Boguty tungsten mine under the JORC Code as of June 30, 2025 were approximately 107.5 Mt Mineral Resources at 0.211% WO_3, which correspond to 227.3 kt WO_3, comprising 95.6 Mt of Indicated Resources at 0.209% WO_3 and 11.9 Mt of Inferred Resources at 0.228% WO_3, and our Boguty tungsten mine hosted Probable Ore Reserves in accordance with the JORC Code guidelines as of June 30, 2025, *i.e.*, 68.4 Mt of ore with an average grade of 0.206% WO_3, equivalent to 140.8 kt WO_3.

Our Boguty tungsten mine is located in Yenbekshikazakh District, Almaty Oblast, and can be accessed via national highway from both Almaty, Kazakhstan and the Khorgos crossing that connects Kazakhstan to China. In addition, a railway connecting Khorgos and Almaty is located approximately 20 km north of our Boguty tungsten mine, which is expected to enable smooth transportation of our products. We also have ready and affordable access to water and electricity supply for our Boguty Project.

We hold the exclusive mining rights (the rights for exploration for and extraction of tungsten ore) of the Boguty tungsten mine under the Subsoil Use Contract No. 4608-TPI (as amended and supplemented by four subsequently agreed addenda, the "**SSU Contract**") with the relevant competent authority. The contract area for mining is stated at 1.16 km^2 and allows exploitation for up to a maximum depth of 300 m below surface, with a term of 25 years from June 2, 2015 to June 2, 2040.

Leveraging our abundant tungsten Resources and Reserves, anticipated cost-effective production and convenient location in Kazakhstan, we plan to continue to develop our Boguty Project into a world-class tungsten mining project. In particular, we plan to increase our target annual mining and processing capacity to 4.95 Mt of tungsten ore in 2027 after we integrate an ore sorting system into our existing mining flowsheet, and further build deep processing plants for production of high-quality ammonium paratungstate (APT) and tungsten carbide powder (WC) after the Listing. We also plan to explore additional investment opportunities for nonferrous metal resources in Central Asia. In July 2023, we entered into a memorandum of understanding with the relevant competent authority in Kazakhstan for potential collaborations as we continue to develop our Boguty Project and potentially in other new fields which the parties may consider fit for further collaborations in the future.

COMPETITIVE STRENGTHS

Our Boguty tungsten mine was the world's largest open-pit tungsten mine in terms of Mineral Resources of tungsten trioxide as of December 31, 2024, according to Frost & Sullivan

Abundant tungsten Resources and Reserves. Our Boguty tungsten mine was the world's largest open-pit tungsten mine in terms of Mineral Resources of WO_3 as of December 31, 2024, according to Frost & Sullivan, with abundant tungsten Resources and Reserves. As of December 31, 2024, our Boguty tungsten mine was also the world's fourth largest tungsten mine in terms of Mineral Resources of WO_3, having the world's largest designed tungsten concentrate production capacity among single tungsten mines, according to Frost & Sullivan. According to the Independent Technical Report, the estimated Mineral Resources of our Boguty tungsten mine under the JORC Code as of June 30, 2025 were approximately 107.5 Mt Mineral Resources at 0.211% WO_3, which correspond to 227.3 kt WO_3, comprising 95.6 Mt of Indicated Resources at 0.209% WO_3 and 11.9 Mt of Inferred Resources at 0.228% WO_3, and our Boguty tungsten mine hosted Probable Ore Reserves in accordance with the JORC Code guidelines as of June 30, 2025, *i.e.*, 68.4 Mt of ore with an average grade of 0.206% WO_3, equivalent to 140.8 kt WO_3.

Favorable developing and mining conditions. As an open-pit mine with concentrated and thick ore body, our Boguty tungsten mine is well-conditioned and favorable for development and mining. In particular, the life-of-mine (LOM) stripping ratio (*i.e.*, the ratio between the volume of waste material required to be handled in order to extract ore, which is an important factor for determining the economics of mining activities, according to Frost & Sullivan) of our Boguty tungsten mine is expected to be 1.53, according to the Independent Technical Report. According to Frost & Sullivan, the stripping ratio of our Boguty tungsten mine is better than industry average, demonstrating our Boguty tungsten mine's favorable mining condition. In addition, open-pit mining is expected to alleviate the restrictions to mining space, allowing us to use heavy equipment and machinery for our mining activities.

Low production costs. According to Frost & Sullivan, while underground mining and open-pit mining are both commonly used in tungsten mines, open-pit mining typically has lower production costs due to various factors, including its cost-effectiveness, high production rates, safety and environmental impact mitigation. In addition, we plan to transport the mined ore from the mining site to the coarse crushing station by dump trucks and the crushed ore will be further transported to the coarse ore pile in the dressing plant through a two-kilometer long belt conveyor, which is expected to make our operations less susceptible to extreme weather conditions and reduce our transportation costs as compared to traditional truck transportation while improving transportation safety. Furthermore, the costs of land use, water, electricity, gas and labor in Kazakhstan have been more affordable and relatively lower than other countries where major tungsten mines are located, such as China, according to Frost & Sullivan, which is expected to allow us to further reduce our production costs and potentially improve our sustainability and profitability in the long term.

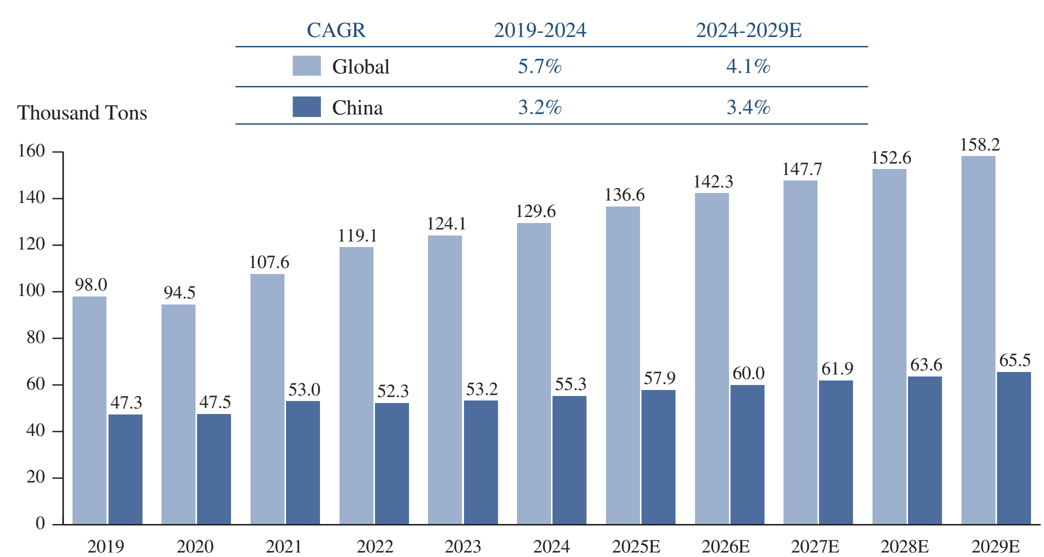
Convenient geographic location and transportation. Kazakhstan is located in the core area under the Belt and Road Initiative and enjoys great geographic advantages by bordering China, Russia and several Central Asian countries. Our Boguty tungsten mine is located in Yenbekshikazakh District, Almaty Oblast, which is 180 km east of Almaty and 160 km to the west of the Khorgos crossing, the largest port in Xinjiang, China. In addition, there is easy access to and from our Boguty tungsten mine through the interstate highway that is approximately 10 km away, connecting us to both Almaty and the Khorgos crossing. In addition, a railway connecting Khorgos and Almaty is located approximately 20 km north of our Boguty tungsten mine. We believe we are well-positioned to take advantage of such convenient transportation system in selling our products to customers in China and other potential markets, such as Europe, in the future.

We are well-positioned to take advantage of the growing demand for tungsten and tungsten products globally

Tungsten is a rare refractory metal and considered a scarce and strategic resource globally. It has a high melting point (3,422 °C), high specific gravity and high tensile strength. Such characteristics make tungsten an important raw material as well as a valuable functional material. Tungsten is mainly used in the transportation, mining and industrial manufacturing industries. In particular, tungsten products are widely used in machinery manufacturing, electric power resources, petrochemicals, aerospace and automotive fields.

According to Frost & Sullivan, the global reserve volume of tungsten in 2024 was approximately 4.6 million tonnes, with over 50% (approximately 2.4 million tonnes) located in China. China has been the largest tungsten supplier globally but also a top consumer of tungsten products with growing needs. According to Frost & Sullivan, China's consumption volume of tungsten is expected to reach 65.5 thousand tonnes in 2029, at a CAGR of 3.4% from 2024 to 2029. The steady growth rate of China's tungsten consumption is primarily attributable to increasing demand for cemented carbide products as well as China's growing smelting and processing capacity. As China's domestic tungsten supply is strictly regulated by the PRC government, the need for imported tungsten in China is also on the rise in recent years, according to Frost & Sullivan. China's import of tungsten concentrate is expected to increase from 12.4 thousand tonnes in 2024 to 20.3 thousand tonnes in 2029, according to Frost & Sullivan. Furthermore, the global consumption volume of tungsten is expected to reach 158.2 thousand tonnes in 2029, at a CAGR of 4.1% from 2024 to 2029, according to Frost & Sullivan. The gap between the growth rates of China and global tungsten consumption further contributes to the imbalanced supply and demand and a growing demand for imported tungsten in China in the future. The chart below sets forth the historical and estimated consumption volume of tungsten globally and in China for the periods indicated:

Consumption Volume of Tungsten (Global & China), 2019–2029E



Source: Frost & Sullivan

As a result of the imbalanced supply and demand of tungsten globally and China's regulatory restriction on domestic tungsten supply, we believe that our future production and sales of tungsten products will be able to penetrate the tungsten market in both China and globally and capitalize on the growing demand for tungsten products by providing a stable supply backed by the abundant tungsten Resources and Reserves in our Boguty tungsten mine.

Our Boguty tungsten mine is strategically located in a favorable business environment with support from both Kazakhstan and China in relation to the Belt and Road Initiative

Kazakhstan is located in the core area under the Belt and Road Initiative and enjoys great geographic advantages by bordering China, Russia and several Central Asian countries. Furthermore, as a world-class large open-pit tungsten mining project, our Boguty Project was included in a list of key projects in relation to China and Kazakhstan's production capacity cooperation under the Belt and Road Initiative. Such cooperation was initiated by the PRC National Development and Reform Commission and the Ministry of Investment and Development of Kazakhstan, who established a China-Kazakhstan production capacity cooperation coordination committee with ministers from both parties serving as the chairs of the committee. As of the Latest Practicable Date, the committee had named 45 key projects in relation to the cooperation. Among these projects, our Boguty Project was the largest mining project in terms of the investment scale and the only integrated mining and processing project invested by a Chinese enterprise as of the Latest Practicable Date, according to Frost & Sullivan. As a high-profile international investment project, our Boguty Project has received attention and support from both Kazakhstan and PRC governments in relation to the Belt and Road Initiative, including regular follow-ups by the relevant government departments of both countries, who keep track of the project progress and coordinate to address issues we may encounter in our Boguty Project. In addition, we expect to be exempt from paying value-added tax and customs duties for our exported products. We also enjoy an expedited visa process for our employees who need to travel between Kazakhstan and China.

Furthermore, as our Boguty tungsten mine is located in Kazakhstan, our tungsten production will not be subject to any export restrictions imposed by the Chinese government on domestic tungsten producers. Therefore, we will be able to freely sell and export our tungsten products to customers globally.

We have an experienced management team with significant industry and management experience

We have a talented and stable management team with an average of over 20 years of extensive experience in the mining industry. Leaders of our key functions are well educated industry veterans with work experience from large-scale mining enterprises in China and covering a variety of specializations, such as mining, mineral processing, geology, surveying, machinery, electrical automation, industrial analysis and financial management.

Mr. Liu Liqiang, the chairman of our Board and Director, has over 30 years of experience in corporate management. Prior to founding the Company, he founded and served as an authorized representative and the general manager of Zhuhai Huayue Investment Company Limited (珠海市華粵投資有限公司), and served as the vice chairman of the board and non-executive director of Zhuhai Hengqin Zhongyou Gas Station Sales Co., Ltd. (珠海橫琴中油加油站經營有限公司). Mr. Liu is also one of the founders of Zhuhai Shanwei Chamber of Commerce (珠海市汕尾商會) and has served as its honorary chairman since its foundation in January 2018. Mr. Wang Zhongwei, our Director, the chief executive officer of the Company and the general manager of Subsidiary ZV, has over 30 years of experience in the mining industry. In particular, Mr. Wang has accumulated extensive experience in the mining and beneficiation of copper, gold, silver, lead, zinc, molybdenum and other minerals through his previous work experience at Jiangxi Copper and Jiangxi Copper Group Yinshan Mining Limited.

The rest of our senior management team also has extensive and complementary experience in the mining industry. In particular, several senior management team members have accumulated extensive mining experience through their previous work experience at Jiangxi Copper. For example, Mr. Liu Peng, the chief financial officer of the Company and Subsidiary ZV, has over 23 years of experience in the accounting and financial management in the mining industry and served as an accountant and finance manager at Jiangxi Copper prior to joining the Group. Mr. Liu is familiar with cost management, cost control, cost accounting of mines, smelters and copper processing in China and overseas, and is familiar with the companies' tax planning and analysis and other management work. Mr. Zhao Yingfeng, the deputy general manager of Subsidiary ZV, has over 24 years of experience in the mining industry and accumulated extensive experience in copper mining extraction and processing through his work at Yongping Copper Mine. Similarly, Mr. Chen Bo, the deputy general manager of Subsidiary ZV, has over 24 years of experience in the mining industry and accumulated extensive experience in the exploration and production management of copper mines through his work at Dexing Copper Mine. Mr. Zhou Xu, the deputy general manager of Subsidiary ZV, also has over 15 years of experience in the mining industry and accumulated extensive experience in the construction and development in the exploration activities of non-ferrous metal mines in the PRC and abroad. Mr. Zhang Shengyi, the assistant to general manager of Subsidiary ZV, also has 42 years of experience in the mining industry and accumulated extensive experience in the mining exploration and development of copper and rare earth mines through his work on various mining projects of Jiangxi Copper.

We believe our senior management team's strategic vision built upon their unparalleled experience in the mining industry would help us make and execute crucial business decisions based on global market trends and developments.

We are socially responsible and committed to sustainable development with continuous ESG efforts

We attach great importance to the development and implementation of our industry's high level of environmental protection standards, which are considered to be key to the sustainable and continuous success of tungsten companies. Our continuous ESG efforts are demonstrated by our proven track record of no material violation of any applicable environmental laws and regulations nor any significant safety incident during the Track Record Period and up to the Latest Practicable Date.

We have completed the design for our facilities and plants at the Boguty tungsten mine in accordance with the environmental laws and regulations in both China and Kazakhstan, and improved our energy utilization efficiency in addition to fulfilling our environmental protection goals. For example, we use a sprinkler system for dust removal during our drilling, blasting and transportation process in the mining site. The crushing system at our dressing plant is equipped with a dry dust collector system and a bag filter for dust control is equipped in our laboratory. Additionally, we commenced commercial production in April 2025 and our Boguty Project achieved zero discharge of production wastewater, *i.e.*, water is circulated and consumed automatically during the production process without any discharge of production wastewater, and the process wastewater produced from our dressing plant is discharged to the tailings ponds equipped with anti-leak film and the clarified tailing water is reused. Domestic sewage will also be discharged after treatment in accordance with relevant discharge standards. Waste rock in the mining site will be collected and stacked in the waste rock pile while tailings will be transported to the tailings ponds for storage and disposal. We also expect to limit the boundary noise in our mining area to within 55dB(A) by setting up vibration-absorbing devices and mufflers to control strong noise sources and using sound insulation in our buildings.

Occupational health and safety are also among our key corporate and social responsibilities. We have established internal occupational health and safety management policies that are generally in line with recognized industry practices and safety regulations in Kazakhstan. In particular, we have established a set of guidelines, including the engineering construction management measures, the guidelines on safety and labor protection, the on-site safety and civilized construction evaluation measures and the guidelines on fire safety measures for office spaces and dormitories.

Our Shareholders with solid industry experience lay a firm foundation for our business growth and expansion

Jiangxi Copper HK, a Shareholder of our Company, is a wholly-owned subsidiary of Jiangxi Copper. Jiangxi Copper is a leading international mining company listed on both the Stock Exchange and the Shanghai Stock Exchange with comprehensive experience in the entire mining industry chain, including exploration, mining, ore dressing, smelting and processing. Jiangxi Copper owns Dexing copper mine (the largest copper mine in China as of the Latest Practicable Date, according to Frost & Sullivan) and a number of other copper mines in the production phase. According to Frost & Sullivan, Jiangxi Copper is one of the largest copper producers in China and globally. In 2024, Jiangxi Copper produced approximately 199,700 tons of copper concentrates and recorded revenue of approximately RMB520.9 billion.

CRCCII and CCECC HK, also our Shareholders, are wholly-owned subsidiaries of CRCC, which is an international construction company listed on both the Stock Exchange and the Shanghai Stock Exchange with extensive experience in engineering contracting, planning, design and consulting, and project investment and operations. CRCC's business has broad geographical coverage in China and internationally, including 32 provinces, autonomous regions and municipalities in China, as well as 139 countries and regions globally. According to Frost & Sullivan, CRCC is one of the largest project contractors in China and one of the largest comprehensive construction companies globally.

To ensure an efficient and smooth process of our constructions, we have adopted the EPC model and engaged CCECC (including its local branch in Kazakhstan) as our EPC contractor for construction activities through an open tender. During production phase, we have also engaged a local subsidiary of CCECC in Kazakhstan to conduct stripping and mining work. The business scope of CCECC covers more than 110 countries and regions. CCECC's main business expands into multiple fields, including engineering contracting, design consulting, railway operations, domestic and foreign investment, park and free trade zone development, real estate development, industrial mining, import and export trade as well as hotel tourism. In particular, CCECC has been engaged in various mining projects in Kazakhstan, such as the Sharkiya underground zinc mining project located approximately 190 km southeast of Kyzylorda (the capital of the Kyzylorda region in Kazakhstan). During the Track Record Period and up to the Latest Practicable Date, to the best knowledge and belief of our Directors, adhering to its long-term work principles of "high standards and strict requirements," there have been no significant material delays caused by CCECC in its previous mining projects.

Leveraging the industry experience and advantages of our Shareholders, including their broad support of technology, research and development and talent, we will continue to develop our Boguty Project with high quality, which is also expected to lay a firm foundation for our sustainable and rapid growth in the future.

BUSINESS STRATEGIES

Bring our Boguty Project into phase II commercial production

The phase I commercial production at our Boguty Project commenced in April 2025. Our current primary objective is to bring our Boguty Project into phase II commercial production in the first quarter of 2027.

We completed the construction of the processing plant complex and installation of equipment in 2024 and the construction of the boiler heating system for our processing plant in February 2025. We plan to complete the construction of the ore sorting facility in 2026 before we commence phase II commercial production. In phase II, the addition of ore sorting facility is expected to enhance the pre-concentration of crushed ore from 15,000 tdp to 10,000 tpd with a 33.33% waste rejection. The overall tungsten recovery is forecast at 78.85%. Preconcentration by ore sorting is expected to start in 2027 and enhance the project's overall economic return by reducing the grinding cost.

For details of our development plan, please refer to "—Development Plan and Planned Production Schedule" below.

Implement and strengthen our commercialization plan

We will continue to implement our detailed commercialization plan, which we expect will help us navigate the commercialization activities.

Target customers. We expect to sell our tungsten products mainly to tungsten processors and end-users on long-term contracts, and if there are excessive inventories, we plan to sell those to commodity traders. As of the Latest Practicable Date, we had entered into scheelite sales agreements with two counterparties with respect to the sales of scheelite concentrate in 2025 and 2026. During the Track Record Period, we only generated revenue from one customer, Jiangxi Tungsten Corporation Limited. To ensure that we have the right to negotiate prices and avoid single customer domination which may cause unfair price deduction, we will continue to develop potential customers in addition to maintaining existing customer relationships. Leveraging the growing global and China's tungsten demand that is expected to outpace supply, we plan to actively explore the China market and develop annual sales agreements in line with our designed production plan with potential customers. At the same time, we will also strive to penetrate the international tungsten market with a particular focus on tungsten processors in Asia and Europe.

Sales network plan. We plan to develop both direct sales and distribution models and penetrate the global tungsten market using China as our base. In particular, we plan to first identify key customers and target markets suitable for our direct sales model, and then aim at penetrating these markets through regular follow up and coordination in each region/segment therein and developing strategic cooperations. We also plan to identify key tungsten processing companies and distributors in Asia and Europe. We plan to select distributors based on various factors, such as end customers, trade conditions and local tax policies. To address limitations on the geographical conditions and human resources as well as different market regulations, we also plan to engage regional distribution agents to expand our sales channels and improve our customer resources. In addition, we plan to use our official website and commodity trading platforms to promote our brand and products to potential customers.

Continue to recruit and develop talent and optimize production technology to improve overall operational efficiency and resource utilization

Talent is key to our development. We plan to continually recruit and develop talent, especially those with expertise in construction and mining projects. Since we commenced constructions for our Boguty Project, we have been working with local universities and career centers to recruit suitable candidates for this project. In particular, we have cooperated with Jiangxi Copper and training institutions in Kazakhstan to recruit new graduates in mining, mineral processing, geology, electrical engineering and other majors from relevant universities in Kazakhstan to participate in medium- and long-term training, who are also expected to be invited to participate in relevant professional training programs at large-scale state-owned mines in China. Following completion of their training, they are expected to officially join our Group and provide technical support to our Boguty Project. As we have recently commenced phase I commercial production, we also plan to recruit more personnel with mining, sales or project management experience to enhance our operational efficiency.

In addition, we will continue to optimize production technology to improve our overall operational efficiency and resource utilization. For example, we plan to use state-of-the-art mining softwares to optimize our geological model and prepare both short-term production plans and medium- to long-term plans for the development of our Boguty Project. We also plan to optimize the production organization and strengthen our technical skills to separate mining, blasting and transportation, so that we can reduce ore loss and dilution. To further reduce the mining, stripping and transportation distance and decrease our production costs, we plan to conduct slope stability research and optimize the final boundary of mining area with an economically viable slope angle. For optimizing the tungsten ore processing process, we will continue to improve the process workflow and various process parameters for our processing plant, conduct further research on processing technology and improve separation indicators. We also plan to use intelligent construction for our processing and production system. Our dressing plant plans to adopt the distributed control system (DCS, which is a computerized control system with instruments and electrical signals to be sent to the control system for automatic monitoring and adjustment of the main process parameters in the production process). The DCS will also be able to control the main electrical equipment by switching them on or off. Furthermore, the management station for our tailings ponds is expected to be equipped with an online monitoring system to achieve intelligence, digitization and visualization throughout the entire process of tailings dam safety management, tailings pond production management and real-time monitoring. Our production management system and power system are also expected to use centralized dispatching and monitoring with network automation.

Carry out deep processing of tungsten to produce APT and WC

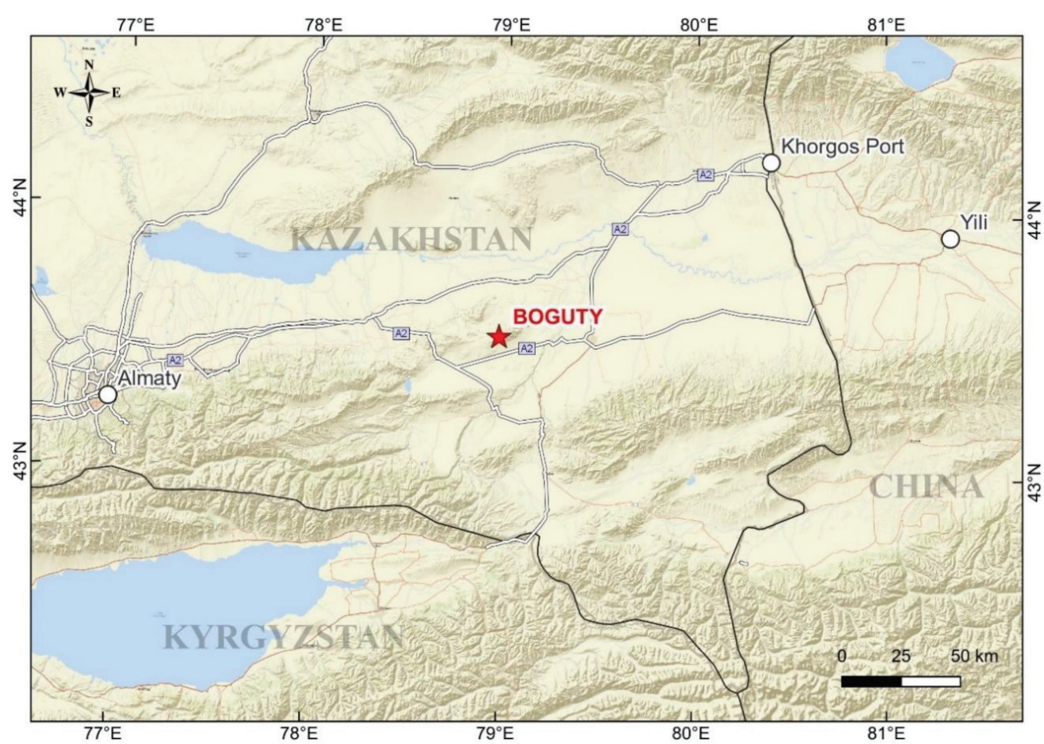
Considering the high market demand for APT and WC in overseas markets such as Europe, we plan to establish a vertically integrated processing and refinery facility on site in connection with our Boguty Project, expanding beyond tungsten concentrate to produce downstream products, including APT and WC. We plan to conduct a feasibility study over the next two years to investigate the technical and economic viability of the proposed refinery. The proposed refinery is expected to be constructed in the vicinity of our processing plant. We expect to upgrade and develop the existing infrastructure in stages, starting with an initial designed annual production scale of 10,000 t of APT and 4,000 t of WC, using tungsten concentrate we have produced on site. The construction of the refinery is estimated to take two years and the target annual production of 10,000 t of APT is expected to be achieved by the fourth year. From the fifth year onwards, a portion of the APT produced is expected to undergo further processing to produce an annual output of 4,000 t of WC. As APT tends to enjoy a higher profit margin, we expect our APT production capabilities, once established, to improve our profitability and sustainability.

OUR MINERAL ASSETS AND MINING RIGHTS

Overview

We hold exclusive mining rights (the rights for exploration for and extraction of tungsten ore) to the Boguty tungsten mine, which is an open pit mine located in Almaty region, Kazakhstan and was first discovered in 1941. The mining rights at the Boguty tungsten mine were initially acquired by the then called Social Entrepreneurial Corporation "Zhetysu" National Company Joint Stock Company (currently known as "Regional Development Institute" Social-Entrepreneurial Corporation "Zhetisu" Joint Stock Company) ("**SPC**"), a Kazakhstan state-owned company, pursuant to the SSU Contract dated June 2, 2015. The term of the SSU Contract is 25 years from June 2, 2015 to June 2, 2040. In November 2015, we acquired indirect control over Subsidiary ZV through the acquisition of Aral-Kegen LLP. By addendum No. 1 dated March 1, 2016, the mining rights and obligations of SPC were assigned to Subsidiary ZV.

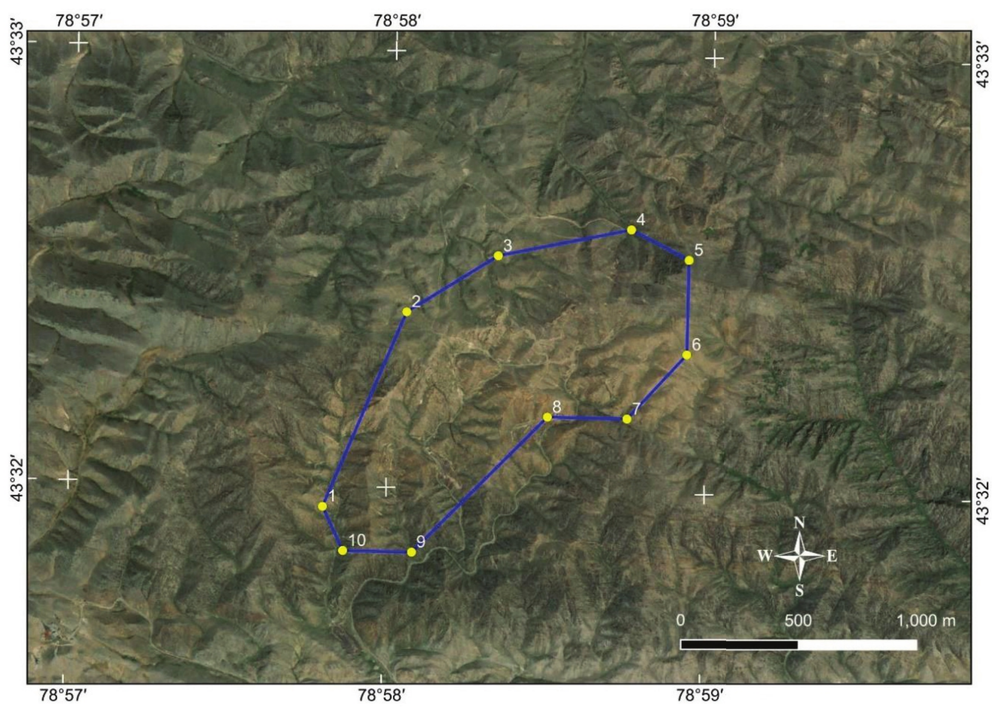
The Boguty tungsten mine is located in the Yenbekshikazakh District of the Almaty region and the eastern end of the Zailiysky-Alatau mountain range. The following map illustrates the location of the Boguty tungsten mine:



Source: Independent Technical Report

According to the Independent Technical Report, the estimated Mineral Resources of our Boguty tungsten mine as of June 30, 2025 prepared in accordance with JORC Code were approximately 107.5 Mt Mineral Resources at 0.211% WO_3, which correspond to 227.3 kt WO_3, comprising 95.6 Mt of Indicated Resources at 0.209% WO_3 and 11.9 Mt of Inferred Resources at 0.228% WO_3, and our Boguty tungsten mine hosted Probable Ore Reserves in accordance with the JORC Code guidelines as of June 30, 2025, *i.e.*, 68.4 Mt of ore with an average grade of 0.206% WO_3, equivalent to 140.8 kt WO_3. According to the Independent Technical Report, as of June 30, 2025, there were no Measured Resources or Proved Reserves in the Mineral Resource and Ore Reserve estimate of the Boguty tungsten mine in accordance with JORC Code. For further details, please refer to section 5.11.2 of the Independent Technical Report, which is set out in Appendix III to this prospectus.

Our Boguty tungsten mine is covered by a mining license which was granted to SPC on May 20, 2014, covering an area of approximately 1.16 km^2 and allows exploitation of up to a maximum depth of 300 meters below surface. A mining contract was entered into between the relevant competent authority and SPC in 2015, which is valid for 25 years from June 2, 2015 to June 2, 2040. For further details, please refer to "—Major Licenses, Permits and Approvals" below. The map below illustrates the boundaries of our Boguty tungsten mine as covered by the mining license:



Source: Independent Technical Report

In May 2021, we commenced the construction of our Boguty Project. We completed the construction and commissioning of the heavy oil boiler in February 2025 and expect to complete the tailings and anti-seepage project in the second half of 2025. The diagram below illustrates the development status of our Boguty Project as of June 2025:

Source: Independent Technical Report

Note: Basemap showing LOM layout of the Project in the Preliminary Design and photographs showing development status as of June 2025.

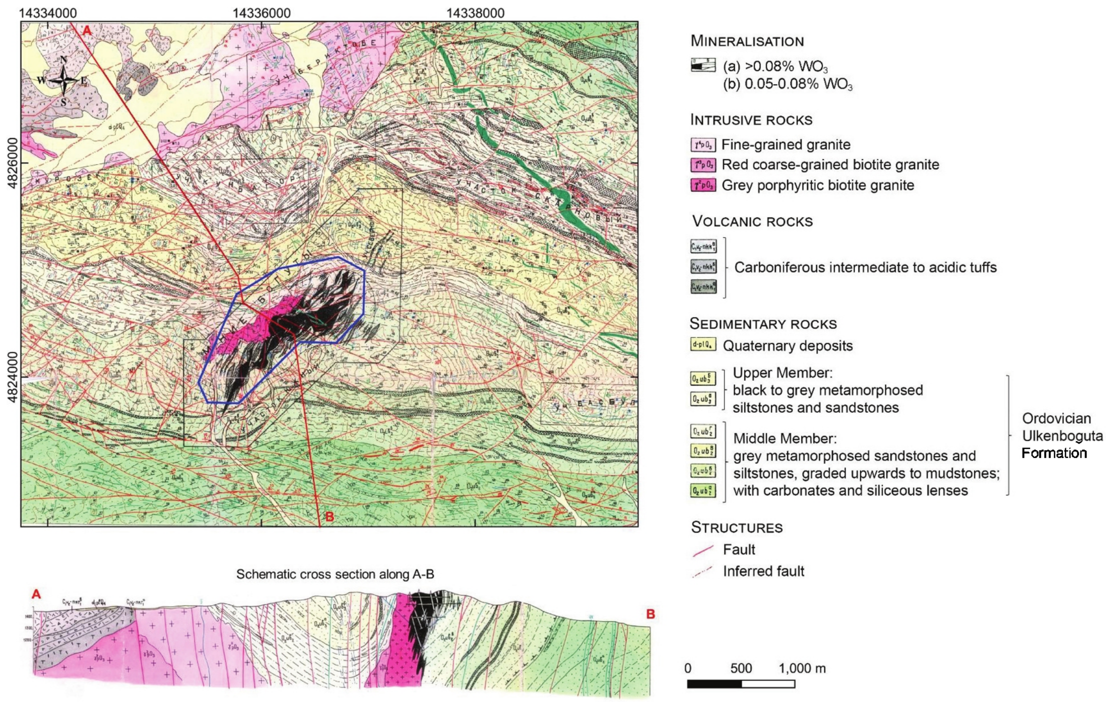
Access

The Boguty tungsten mine is geographically centered at 43º32’22”N and 78º58’31”E. It is located 180 km east of Almaty and 160 km to the west of the Khorgos crossing, which connects Kazakhstan to China. The Boguty tungsten mine can be accessed from both Almaty and the Khorgos crossing via the A2 highway located on the north side of the mine area. The Boguty tungsten mine is also adjacent and has been connected to the 352 interstate highway located on the south side of the mine area by an access road built by us. Such road is flat and open all year round as there is no tunnel, river with large water flow or bridge on it. We believe this would allow a seamless process for transporting raw material or equipment to the Boguty tungsten mine as well as for selling the tungsten products to our customers in the future. We have not experienced any difficulties in establishing connections to these crucial transportation routes for the Boguty Project. A railway connecting Khorgos and Almaty is located approximately 20 km north of the Boguty tungsten mine area. The closest international airport to the Boguty tungsten mine is located in Almaty, with regular flights to regional and key cities in Kazakhstan and overseas.

Geology and Mineralization

The Boguty tungsten mine is situated in the southern region of the Boguty Syncline. The central part of the fold comprises Lower Palaeozoic sediments, primarily consisting of sandstone, siltstone and shale sequences. The limbs of the fold are composed of Upper Palaeozoic volcanic rocks. Granite intrusions that occurred millions of years ago in the area led to the development of a network of quartz-scheelite veins, primarily filling the fractures in the southeastern contact zone with the granite, within the siltstone and sandstone unit. These quartz-scheelite veins range from a few centimeters to tens of centimeters and occur as stockworks and veinlets. These centimeter-scale veins commonly occur as conjugate sets, cutting through the sediments. Disseminated scheelites also occur in the surrounding host sediments.

The mineralization extends approximately 2,000 m in a northeast direction, with a lateral extent of 400 m towards the east. It dips subvertically northwest, reaching a maximum depth of 500 m. The quartz veins and association mineralization appear to diminish when mineralization extends into the younger shale sequence and finer-grained, siliceous sediments. The principal ore mineral is scheelite ($CaO \cdot WO_3$) and there are subordinate amounts of wolframite ($(Fe, Mn)O \cdot WO_3$) and tungstite ($WO_3 \cdot H_2O$). Scheelite is predominantly observed as minute grains enclosed within quartz minerals and brecciated quartz fragments. For details of the geology and mineralization of the Boguty tungsten mine, please refer to “Appendix III—Independent Technical Report—Geology and Mineral Resources.” The diagram below illustrates the geology and schematic cross section of the Boguty tungsten mine area.



Source: Independent Technical Report

Mineral Resources and Ore Reserves

Independent Report

We engaged SRK Consulting (Hong Kong) Limited ("SRK"), an Independent Third Party and an international consulting company that offers advice and solutions to resource industries for mining projects, as the Independent Technical Consultant, to prepare the Independent Technical Report as set out in Appendix III to this prospectus, which is an independent assessment and evaluation of our tungsten Resources and Reserves as of June 30, 2025.

The information set forth below relating to our Resources and Reserves constitutes forward looking information which is subject to certain risks and uncertainties. Please refer to "Risk Factors" and "Forward-Looking Statements" for details.

Mineral Resource and Ore Reserve Estimate

The following table presents a summary of the Mineral Resource estimate of the Boguty tungsten mine constrained by conceptual pit shell (with a cut-off grade of 0.05% WO_3 applied to the Mineral Resource block model) as of June 30, 2025 and reported in accordance with the JORC Code, as contained in the Independent Technical Report in Appendix III to this prospectus:

Classification	Tonnage	Grade	Contained WO_3
	(Mt)	*(WO_3%)*	*(kt)*
Indicated	95.6	0.209	200.3
Inferred	11.9	0.228	27.0
Total	**107.5**	**0.211**	**227.3**

Source: Independent Technical Report

The following table presents a summary of the Ore Reserve estimate of the Boguty tungsten mine (with a marginal cut-off grade (MCOG) of 0.06% WO_3 used to define ore and waste) as of June 30, 2025 in accordance with the JORC Code, as contained in the Independent Technical Report in Appendix III to this prospectus.

Category	Ore Reserve	WO_3 Grade	Contained WO_3
	(Mt)	*(%)*	*(kt)*
Probable	68.4	0.206	140.8

Source: Independent Technical Report

According to the Independent Technical Report, as of June 30, 2025, there were no Measured Resources or Proved Reserves in the Mineral Resource and Ore Reserve estimate of the Boguty tungsten mine in accordance with JORC Code.

According to the Independent Technical Consultant, there was no material change in the Independent Technical Report and the Mineral Resource and Ore Reserve estimate of the Boguty tungsten mine since June 30, 2025, being the effective date of the Mineral Resource and Reserve estimate, up to the date of this prospectus.

Exploration

After the Boguty tungsten mine was discovered in 1941, several small-scale exploration programs were conducted in the area by different groups prior to 1969 with limited documentation. In the period between 1969 and 1974, the Geological Survey of South Kazakhstan, a former Soviet Union organization, carried out a systematic exploration program. We acquired the SSU Contract (as defined below) for our Boguty Project in 2016. For details, please refer to "—Major Licenses, Permits and Approvals" below. From 2014 to 2015, we also commissioned an Independent Third Party, which is a mining consultancy firm, and its collaborator to carry out a verification program of the previous exploration results. For details of the results of these exploration and verification work previously undertaken, please refer to "Appendix III—Independent Technical Report—Geology and Mineral Resources—Historical exploration." The table below summarizes the key historical exploration work of the Boguty tungsten mine as set forth in Appendix III to this prospectus:

Year	Parties involved	Key exploration works
1941	I.I. Mashkara	• Discovery of scheelite, quartz and molybdenum mineral sands in the Boguty area
1942	Geological Survey of Kazakhstan	• Exploration of rare metals in placers • Discovery of scheelite-bearing placers • Sampling of 21 scheelite-bearing veins and 1 molybdenite-bearing vein
1942-1948 . . .	Mine Department of Almaty	• Small-scale mining on the tungsten placers, producing a total of 175 t of scheelite concentrate • Excavation of four adits totaling 207 m, intercepting >5 cm quartz veins with average WO_3 grade to 0.37%
1947-1954 . . .	Kazakhstan Geology and Metals Joint Company	• 7 km^2 surface mapping, 377 m prospecting holes and 100 m^3 trenches • Collection of 588 sand samples and 91 test samples • Identification of 29 quartz-scheelite vein outcrops • Collection of 168 samples from 23 veins • Assay of placer samples with scheelite of 233-583 g/m^3 in raw samples and 2,477 g/m^3 in sieved samples • Production of 17 t placer scheelite concentrates

Year	Parties involved	Key exploration works
1961-1963 . . .	Geological Survey of Soviet Union	• Research on rare metals mineralisation and compilation of exploration targets in South Kazakhstan • Prospectivity study of stockwork-type deposits in the Boguty area
1968	Geological Survey of South Kazakhstan	• Excavation of four trenches (200 m spacing) cutting through the central part of mineralised stockwork outcrop
1969-1974 . . .	Geological Survey of South Kazakhstan; National Reserve Committee of Soviet Union	• 1:10,000 surface geological mapping • 12,176.7 m of surface drilling, 7,440.3 m of underground drilling and collection of 3,459 samples • Excavation of 30,690 m^3 of surface trenches and collection of 19,943 m or 8,452 channel samples • Development of three levels of adits with a total length of 12,987 m, including drifts and cross-cuts, and collection of 17,576 m or 7,618 channel samples from adit walls • Comprehensive geotechnical and hydrological drilling, sampling and testing • Sample collection and metallurgical testwork on 1,511 t of samples
2014-2015 . . .	Jiaxin; Behre Dolbear Asia, Inc.	• Resampling of 16 groups of check adit intervals, totaling 362 m and 181 samples • Resampling of 9 groups of check trench intervals, totaling 152 m, and collection of 76 samples • 18 diamond drill holes totaling 5,075.1 m

Source: Independent Technical Report

The development of mineral assets typically has a number of defined stages, from exploration, Mineral Resource definition, technical studies (scoping, pre-feasibility and feasibility) and then construction to operation. The decision to move from one stage to the next stage includes the considerations of various factors, including technical, economic, environmental and social factors, as well as the company's development risk appetite. It is not uncommon for a mineral asset to take years or even decades from the initial exploration and Mineral Resource definition stages to operation.

While we were not involved in the Boguty Project until 2014, as advised by the Independent Technical Consultant, several factors may have contributed to no exploration and development from 1974 to 2014. According to the Independent Technical Report, a systematic and comprehensive exploration program was completed by 1974 including surface and underground drilling, trenching and the development of three level adits. Samples were also collected for hydrological, geotechnical and metallurgical studies. By 1974, the nature of the Boguty deposit was well defined, culminating in the declaration of a mineral resource according to the Soviet Union standard. At that time, the exploration was considered comprehensive by the then owners, and no further exploration was conducted. In 2014, we engaged Behre Dolbear Asia, Inc. (Behre Dolbear) to validate the historical mineral resource. According to the Independent Technical Report, the program confirmed the presence and nature of the Boguty deposit, and at the time, Behre Dolbear considered that there were no material findings that could hinder the development of the deposit.

The lack of development of the Boguty deposit from 1974 to 2014 was also likely related to several factors. We understand that there was a development and construction plan for the Boguty deposit with a target annual mining and processing capacity of 4 Mtpa. However, this plan did not progress due to the limited metallurgical processing technology available for scheelite beneficiation and smelting at that time. Unfavourable economic conditions, including fewer applications of tungsten and a limited market size also impeded the project's advancement during that time. Since the establishment of the Republic of Kazakhstan in 1991, the regulations on mining activities in Kazakhstan have also developed over time. For example, the Code on "Subsoil and Processing of Mineral Raw Materials" No. 1367a-XII dated May 30, 1992 was the first act to regulate subsoil use activities in Kazakhstan. The President Decree on Subsoil and Subsoil Use No. 2828 dated January 27, 1996 further introduced exploration as a separate type of mining activity in Kazakhstan. See "Regulatory Overview—Kazakhstan Mining Regulation—Subsoil Use Contracts and Licenses" for details of subsoil use regulations in Kazakhstan since 1999. In addition, the global tungsten consumption has grown from approximately 73 thousand tonnes in 2005 to approximately 82 thousand tonnes in 2014, according to Frost & Sullivan. However, there was a slow advancement in technology development. A lack of capital to invest in projects of this type at the time, might also have contributed to the lack of development progress of the project.

Major Licenses, Permits and Approvals

Our Subsoil Use Contract

We hold the exclusive mining rights of the Boguty tungsten mine under the SSU Contract with the relevant competent authority as Subsidiary ZV is the sole counterparty (as a subsoil user) to the SSU Contract. Such mining rights were initially acquired by SPC pursuant to the SSU Contract with a term of 25 years from June 2, 2015 to June 2, 2040. In November 2015, we acquired indirect control over Subsidiary ZV through the acquisition of Aral-Kegen LLP. By Addendum No. 1 dated March 1, 2016, the mining rights and obligations of SPC were assigned to Subsidiary ZV. After the execution of the SSU Contract on June 2, 2015, a total of four addenda to the SSU Contract had been executed as of the Latest Practicable Date, which are summarized below:

(1) Addendum No. 1 was signed among the MID, SPC and Subsidiary ZV on March 1, 2016, which was initiated by SPC in October 2015 to complete the transfer of the subsoil use rights under the SSU Contract from SPC to Subsidiary ZV.

(2) Addendum No. 2 was signed between the MIID and Subsidiary ZV on June 17, 2019, which was initiated by Subsidiary ZV in September 2017 to change the project documentation (*i.e.*, the mining plan) with respect to the updated calculation of Reserves and the respective amended work program.

(3) Addendum No. 3 was signed between the MIID and Subsidiary ZV on December 28, 2020, which was initiated by Subsidiary ZV in October 2019 to set a commencement date for the mining operations by no later than 2022 and relinquish a part of the contract area due to an overlap of the initial mining allotment area with the territory of the Charyn Canyon National Park. The SSU Contract did not provide a clear deadline for the commencement of mining operations before the execution of Addendum No. 3.

(4) In June 2024, we received the amended Mining Works Plan from VNIItsvetmet and applied to the MIC for including Addendum No. 4 to the SSU Contract to change the production commencement date, which was finalized and included to the SSU Contract by the MIC in August 2024. Pursuant to Addendum No. 4, we shall reach the projected annual production volume in 2025 and comply with the environmental laws of Kazakhstan in our operations.

The following table sets forth the particulars of our mining rights pursuant to the SSU Contract:

Subsoil Use Contract No.	4608-TPI
Current Owner of Subsoil Use Contract	Zhetisu Volframy LLP
Name of Mine	Boguty tungsten mine
Type of Mineral	Tungsten ore
Area of Rights	The contract area for mining is stated at 1.16 km^2 and allows exploitation for up to a maximum depth of 300 m below surface
Period of Validity	June 2, 2015 to June 2, 2040
Issuing Authority	the MID (a predecessor of the MIC)

In accordance with the SSU Code and the SSU Contract, we are required to comply with certain continuing obligations which are imposed on subsoil users. Save for incidents as disclosed in "—Legal Proceedings and Compliance" below, we had complied with all the obligations under the SSU Code and the SSU Contract during the Track Record Period and up to the Latest Practicable Date. The MIC also confirmed that it will not terminate the SSU Contract in its letter (No. ZT-2024-03681260, the "Second Confirmation Letter") to Subsidiary ZV dated April 24, 2024. See "—Legal Proceedings and Compliance" below for details of our key communications with the MIC as of the Latest Practicable Date. As of the Latest

Practicable Date, there had not been any legal claims or proceedings that may have an adverse impact on our mining rights of the Boguty Project. To fund the construction and development of our Boguty Project, we entered into a facility agreement with a commercial bank in September 2020 for a loan facility of up to EUR188.0 million. See "Financial Information—Indebtedness—Borrowings" for details. As of the Latest Practicable Date, we had complied with all of the covenants under such facility agreement and had not received any notification of breach from the lending bank. Our Directors confirm that we had not pledged our mining rights under the SSU Contract to secure any bank facilities as of the Latest Practicable Date.

For details of the laws and regulations in relation to the subsoil use contracts and licenses in Kazakhstan, please refer to "Regulatory Overview—Kazakhstan Mining Regulation—Subsoil Use Contracts and Licenses."

Other Major Licenses, Permits and Approvals

The following table sets forth a summary of other material licenses, permits and approvals that we had obtained for our operations as of the Latest Practicable Date:

License/Permit/ Approval	Issuing Authority	Registered Owner	Issue Date	Period of Validity/ Expiry Date
Mining allotment No. 1288-Д	Republican State Organization "Committee of Geology of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan"	Zhetisu Volframy LLP	May 21, 2020	Duration of mining works under the SSU Contract
Ecological expert report No. KZ27RXX00011654 .	Committee of Ecological Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan	N/A	June 4, 2020	2022-2029

License/Permit/ Approval	Issuing Authority	Registered Owner	Issue Date	Period of Validity/ Expiry Date
License No. 2110-EL for exploration of solid minerals	Ministry of Industry and Infrastructure Development of the Republic of Kazakhstan	Zhetisu Volframy LLP	August 24, 2023	August 24, 2029
Industrial Safety Declaration No. 18-18.01.006192 – ГПиВМ (GPiVM) of the project "Enrichment plant with surface mining facilities with a capacity of 3.3 million tonnes of ore per year at Boguty tungsten ore deposit, Almaty oblast of the Republic of Kazakhstan".	Republican State Institution "Committee of Industrial Development and Production Safety"	Zhetisu Volframy LLP	October 30, 2018	Unlimited
Industrial Safety Declaration No. 19-19.01.006747 – ГПиВМ (GPiVM) to the mining plan for tungsten ore at Boguty tungsten ore deposit . . .	Republican State Institution "Committee of Industrial Development and Production Safety"	Zhetisu Volframy LLP	December 11, 2019	Unlimited
Industrial Safety Declaration No. 20-20.01.007112-ОФ of the project "Enrichment plant with surface mining facilities with a capacity of 3.3 million tonnes of ore per year at Boguty tungsten ore deposit, Almaty oblast of the Republic of Kazakhstan"	Republican State Institution "Committee of Industrial Development and Production Safety"	Zhetisu Volframy LLP	August 25, 2020	Unlimited

License/Permit/ Approval	Issuing Authority	Registered Owner	Issue Date	Period of Validity/ Expiry Date
Industrial Safety Declaration No. 20-20.01.007149–XBX of the project "Construction and operation of phase one of the tailings management facility at the Boguty deposit" . . .	Republican State Institution "Committee of Industrial Development and Production Safety"	Zhetisu Volframy LLP	October 1, 2020	Unlimited
Permit No. KZ85VTE00032515 for Special Water Use	Balkhash-Alakol Basin Inspectorate for Regulation of Use and Protection of Water Resources of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan	Zhetisu Volframy LLP	December 11, 2020	November 23, 2025
Permit No. KZ39VCZ00768511 for Emissions into the Environment for Facilities of Categories I, II and III – Boguty tailings storage facility. .	Republican State Institute "Department of Ecology of Almaty Oblast" of the Committee of Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan	Zhetisu Volframy LLP	January 22, 2021	December 31, 2026

License/Permit/ Approval	Issuing Authority	Registered Owner	Issue Date	Period of Validity/ Expiry Date
Permit No. KZ49VCZ00645044 for Emissions into the Environment for Facilities of Categories I – Boguty deposit	Republican State Institute "Committee of Environmental Regulation and Control" of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan	Zhetisu Volframy LLP	August 10, 2020	December 31, 2029
Permit No. KZ49VCZ00973292 for Emissions into the Environment for Facilities of Categories I, II and III – ZV's activity	Republican State Institute "Department of Ecology of Almaty Oblast" of the Committee of Environmental Regulation and Control of the Ministry of Ecology, Geology and Natural Resources of the Republic of Kazakhstan	Zhetisu Volframy LLP	June 16, 2021	December 31, 2030
License No. 171 for production of solid minerals	State Institution "Department of Entrepreneurship and Industrial-Innovative Development of Almaty region"	Zhetisu Volframy LLP	June 14, 2024	June 14, 2034
Ecological Permit No. KZ13VCZ03493224 for category II facilities (extraction of building stone at the Boguty-OPI deposit)	Department of Natural Resources and Regulation of Nature Use of Almaty region	Zhetisu Volframy LLP	June 7, 2024	December 31, 2033

License/Permit/ Approval	Issuing Authority	Registered Owner	Issue Date	Period of Validity/ Expiry Date
License No. 24028685 for precursor turnover	Ministry of Internal Affairs of the Republic of Kazakhstan	Zhetisu Volframy LLP	September 20, 2024	September 20, 2029
Permit No. KZ17VTE00269837 for Special Water Use	Balkhash-Alakol Basin Inspection for Regulation, Protection and Utilization of Water Resources of the Committee for Regulation, Protection and Utilization of Water Resources of the Ministry of Water Resources and Irrigation of the Republic of Kazakhstan	Zhetisu Volframy LLP	December 10, 2024	November 11, 2029
Permit No. KZ37VCZ10893795 . . .	Department of Natural Resources and Regulation of Nature Use of Almaty region	Zhetisu Volframy LLP	May 22, 2025	December 31, 2035
code 25-25.01.008720-ГП .	Republican State Institution "Committee of Industrial Development and Production Safety"	Zhetisu Volframy LLP	June 26, 2025	N/A

As advised by our Kazakhstan Legal Advisors, the issuing authorities of the SSU Contract and the other major licenses, permits and approvals as listed above were competent authorities to issue such licenses, permits and approvals.

We have obtained all necessary licenses, permits and approvals from the relevant government authorities that are material for our business operations under the relevant Kazakhstan laws and regulations, according to our Kazakhstan Legal Advisors. Such licenses, approvals and permits remained valid and effective as of the Latest Practicable Date. Our Kazakhstan Legal Advisors also advised us that we have the right to apply for renewal of these licenses, approvals and permits upon expiry. As advised by our Kazakhstan Legal Advisors, Subsidiary ZV's ability to obtain all relevant license, permits and approvals depends on

Subsidiary ZV's capability to provide the required documents and satisfy the respective requirements imposed by the relevant regulatory authority at the time of application for each relevant license, permit or approval. Historically, we have been able to satisfy such requirements and produce required documents to obtain necessary licenses, permits and approvals for our operations in Kazakhstan. Therefore, our Kazakhstan Legal Advisors are of the view that we will be able to obtain or renew these necessary licenses, permits and approvals in Kazakhstan. For details of the SSU Contract and other material licenses, permits and approvals in Kazakhstan, please see "Regulatory Overview."

DEVELOPMENT PLAN AND PLANNED PRODUCTION SCHEDULE

Development Plan

The following timeline sets forth key historical and planned milestones in the development of the Boguty Project:

2014-2015	Completion of the exploration verification program
2015-2019	Completion of a series of feasibility studies on the Boguty Project
2016	Acquisition of the subsoil use rights for the Boguty Project
2020	Completion of the preliminary design for proposed constructions, design of tailing storage facility (TSF) and various environmental impact assessments for the Boguty Project
2021	Commence full-scale constructions on site
2023	Completion of pre-stripping
2024	Completion of construction of site infrastructure and the processing plant complex.[1] Completion of the connection to the main grid and the installation of processing plant equipment and completion of the constructions of the phase one embankment of TSF and installation of a liner. Commencement of trial production for the Boguty Project in November 2024
2025	Commencement of phase I commercial production in April 2025
2026	Expect to complete the integration of the ore sorting system into the existing mining flowsheet
2027	Expect to bring the Boguty Project into phase II commercial production in the first quarter of 2027

Note:

1. Auxiliary facilities were largely set up. The high voltage power lines have been completed. The water pipeline construction has been completed. Water is being provided to the mine through the 22-kilometer long pipeline. Subsequent testing has been completed in 2024.

Planned Production Schedule

As set forth in the Independent Technical Report, we commenced commercial production for phase I in April 2025 and expect to commence commercial production for phase II in the first quarter of 2027. In particular, we have completed the construction of the processing plant complex and installation of equipment, and have largely set up auxiliary facilities in 2024. Furthermore, the high voltage power lines were completed, linking the full system to the grid with a 30 MW power supply; and the water pipeline construction was also completed, providing water from Charyn River to the mine through a 22-kilometer pipeline. Individual testing of the processing plant equipment began in July 2024, followed by the start of trial production in November 2024. The TSF will be constructed in three phases and the construction of the embankment of Phase I TSF and installation of a liner have also been completed in 2024, with the remaining work expected to be completed in the second half of 2025. The phase I TSF was put into operation in November 2024. In addition, we completed the construction and testing of the boiler heating system for our processing plant in February 2025 and recruited sufficient employees for phase I commercial production. We also expect to construct the ore sorting system and Phase II TSF for the phase II commercial production to further increase our production capacity.

The Independent Technical Consultant has reviewed the preliminary design prepared by an Independent Third Party, technical studies, the latest construction reports, the Company's actual and forecast capital costs and target commission dates for each phase of production. The Independent Technical Consultant considers the preliminary design prepared by an Independent Third Party and other technical studies that provide a solid foundation for the construction and development of the Boguty Project reasonable and adequate. We have completed all construction and installation work for phase I commercial production. We have developed comprehensive plans to meet commissioning targets and address challenges encountered during the initial phase of production. These plans include implementing a strategic mining approach and optimizing the processing flowsheet by using an ambient temperature cleaning process. Phase I commercial production commenced in April 2025. Plans are also in place for phase II commercial production in early 2027. The production schedule for each development phase is considered reasonable by the Independent Technical Consultant. Overall, the Independent Technical Consultant finds the Boguty Project technically and economically viable, with plans reflecting a balanced and well-considered approach.

The mining operation is conducted by a local subsidiary of CCECC in Kazakhstan, who was engaged through a public tender and has the required mining fleet and associated capacity. As advised by the Independent Technical Consultant, contractor mining is a common practice in the mining industry. We are responsible for the processing operation and sales of the product to our customers. The following chart sets forth the planned mining and production schedule for the operations in our Boguty Project for the periods indicated over the life of mine of 15 years.

Period	TMM	ROM	Grade	HG Tonnes	HG Grade	MG Tonnes	MG Grade	LG Tonnes	LG Grade	Waste	Stripping Ratio	Feed	Feed Grade
Unit	*kt*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*t:t*	*kt*	*WO_3 %*
H2 CY2025	6,977	2,478	0.164	1,655	0.191	440	0.123	384	0.099	4,498	1.81	1,655	0.191
CY2026	15,344	5,181	0.196	3,771	0.228	755	0.124	655	0.099	10,163	1.96	3,800	0.227
CY2027	12,879	8,060	0.190	5,513	0.228	1,171	0.124	1,376	0.098	4,819	0.60	4,950	0.228
CY2028	17,392	4,445	0.178	3,290	0.201	587	0.124	568	0.100	12,947	2.91	4,950	0.187
CY2029	18,429	2,079	0.174	1,464	0.201	250	0.124	365	0.098	16,350	7.86	4,950	0.140
CY2030	18,026	3,361	0.203	2,627	0.229	319	0.125	415	0.101	14,665	4.36	4,950	0.169
CY2031	14,853	4,741	0.180	3,403	0.207	662	0.124	675	0.100	10,112	2.13	4,950	0.176
CY2032	15,965	5,125	0.238	4,154	0.267	478	0.124	493	0.100	10,840	2.12	4,950	0.243
CY2033	9,797	5,041	0.213	4,006	0.239	601	0.124	435	0.099	4,756	0.94	4,950	0.215
CY2034	9,648	5,007	0.203	3,982	0.227	556	0.123	470	0.099	4,642	0.93	4,950	0.204
CY2035	8,559	5,148	0.205	4,027	0.230	590	0.124	530	0.099	3,411	0.66	4,950	0.209
CY2036	8,134	5,362	0.231	4,395	0.257	473	0.124	494	0.097	2,772	0.52	4,950	0.242
CY2037	7,343	5,388	0.240	4,906	0.252	319	0.125	163	0.103	1,954	0.36	4,950	0.251
CY2038	8,075	5,357	0.226	4,767	0.239	353	0.125	236	0.099	2,718	0.51	4,950	0.235
CY2039	1,916	1,668	0.195	1,219	0.226	218	0.124	231	0.101	248	0.15	3,586	0.147
Total	**173,338**	**68,441**	**0.206**	**53,180**	**0.233**	**7,772**	**0.124**	**7,489**	**0.099**	**104,898**	**1.53**	**68,441**	**0.206**

Source: Independent Technical Report

Notes:

1 Mineral Resources are at cut-off grade of 0.06% WO_3.

2 ROM materials include dilution and loss at rates of 5%.

3 Inferred Mineral Resources are treated as waste.

4 HG (high-grade) material is defined as material above a cut-off grade of 0.14% WO_3; MG (medium-grade) material is defined at a cut-off grade between 0.12% and 0.14% WO_3 and LG (low-grade) material is defined at a cut-off grade of 0.06% WO_3.

5 Some totals may not correspond to the sum of the separate figures due to rounding.

Although our Directors believe that our development plan for the Boguty Project is viable, we may not be able to proceed at the expected rate or ultimately extract the Mineral Resources at the rate or at a profit due to various factors. See "Risk Factors—Risks Relating to Our Business—We may not generate revenue or grow our business as planned" for the relevant risks.

Capital Costs

As disclosed in the Independent Technical Report and as illustrated below, we have been incurring capital costs for the Boguty Project since 2020 and the total amount of capital costs incurred during the period from 2020 to June 30, 2025 was approximately RMB1,701.0 million. The total incurred and forecast capital costs for the initial development (which means that the Boguty Project will have capacities of processing 3.3 Mtpa ore in phase I and increase to 4.95 Mtpa ore in phase II in the first quarter of 2027) of the Boguty Project, subsequent raising of the tailings dam and mine closure are expected to be approximately RMB2,719.3 million, while the capital unit cost over the life-of-mine is estimated to be 40 RMB/t ore and 15,900 RMB/t concentrate. The Boguty Project commenced phase I commercial production in April 2025. Our Directors are of the view, and the Sole Sponsor concurs, that there are no material technical or legal impediments for the Boguty Project to complete initial development by 2026. For more information regarding our capital costs, please refer to "Appendix III—Independent Technical Report—Capital and Operating Costs."

The table below sets forth a summary of the historical and forecast capital costs between 2020 and 2040 for our Boguty Project, as stated in the Independent Technical Report:

Cost Center	Total LOM	2020	2021	2022	2023	2024	H1 2025	H2 2025	2026	2027-2033	2034-2040
						(in RMB millions)					
Mine stripping	65.7	0.0	0.0	16.7	40.0	4.7	0.0	1.2	3.0	0.0	0.0
Processing plant system	610.7	1.0	31.0	132.6	274.2	3.8	21.0	45.9	101.3	0.0	0.0
Tailings storage facility	774.7	0.0	50.6	34.4	96.6	114.5	0.0	50.4	100.1	121.2	211.7
Processing equipment	371.0	0.0	16.1	56.4	134.5	135.6	0.0	18.9	16.4	0.0	0.0
Power supply	96.7	0.0	1.6	3.1	40.6	48.6	0.0	2.2	1.7	0.0	0.0
Heating system	43.5	0.0	0.0	0.0	5.0	41.2	0.0	0.6	0.5	0.0	0.0
Telecommunication system	8.8	0.0	0.0	0.0	5.0	3.5	0.0	0.3	0.2	0.0	0.0
Water supply and reticulation system	82.4	0.0	6.0	0.0	17.7	39.0	0.0	17.7	1.8	0.0	0.0
Roads and other ancillary facilities	137.6	0.0	11.7	10.0	20.8	60.2	0.0	37.5	3.0	0.0	0.0
Office, camp and others	35.9	0.0	0.0	0.0	0.0	36.7	0.0	1.4	1.1	0.0	0.0
Ore sorting system	125.8	0.0	0.0	0.0	0.0	0.0	0.0	73.7	52.1	0.0	0.0
Other	235.8	24.2	16.4	17.4	58.7	80.8	0.0	38.3	0.0	0.0	0.0
Mine closure	16.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.9
Contingency	113.9	0.0	0.0	0.0	0.0	0.0	0.0	27.0	28.0	21.1	21.1
Total	**2,719.3**	**25.2**	**133.3**	**270.6**	**693.3**	**568.5**	**21.0**	**315.5**	**309.3**	**133.2**	**249.7**

Source: Independent Technical Report

Note: Some totals may not correspond to the sum of the separate figures due to rounding.

Operating Costs

As disclosed in the Independent Technical Report and as illustrated below, our total operating cash costs for the Boguty Project in the six months ended June 30, 2025 amounted to approximately RMB118.4 million. In the second half of 2025, our projected total operating cash cost for the Boguty Project in 2025 is RMB331.0 million, with a cost of 200 RMB/t ore and 91,000 RMB/t concentrate. We believe that we will have sufficient working capital to fund the Boguty Project up to 2025 as we obtained additional credit facilities of HK$265.0 million from reputable commercial banks in China in April 2024 to support the construction of the Boguty Project and supplement our capital expenditures. By 2027, as the Boguty Project is expected to reach its target production rate of 4.95 Mtpa and the ore sorting system for the phase II commercial production is expected to be installed, the total operating cash costs are expected to increase to RMB606.1 million in 2027, while the operating cash unit cost is projected to decrease significantly to 122 RMB/t ore and 44,400 RMB/t concentrate. We plan to use approximately 10.0% of the net proceeds from the Global Offering (which equals to approximately HK$108.8 million) to fund the development of our ore sorting system for the phase II commercial production, which, together with the aforementioned credit facilities of up to HK$265.0 million, is expected to be be sufficient for funding our development of the ore sorting system. For more information regarding our cash operating costs, please refer to "Financial Information—Forecast Operating Costs." The following table sets forth the actual operating cash costs of the Boguty Project for the six months ended June 30, 2025, according to the Independent Technical Report:

By types	**RMB million**
Mining	40.8
Processing	
Labor	*3.6*
Consumables	*15.8*
Fuel, electricity and water	*15.1*
Maintance and other services	*0.3*
Subtotal	*34.9*
General and administrative	42.1
Sales	0.0
Resource tax	0.7
Total	**118.4**

By activities	**RMB million**
Workforce employment	32.3
Consumables	15.8
Fuel, electricity, water and other services	55.9
Stipping cost	0.0
On- and off-site administration	8.6
Environmental protection and monitoring	0.0
Transportation of workforce	2.5
Product marketing and transport	0.7
Non-income taxes, royalties and other government charges	2.6
Contingency allowances	0.0
Total	**118.4**

The table below sets forth a summary of the forecast operating costs between 2025 and 2039 for our Boguty Project, as stated in the Independent Technical Report:

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Mining																	
Ore	Mt	68.4	2.5	5.2	8.1	4.4	2.1	3.4	4.7	5.1	5.0	5.0	5.1	5.4	5.4	5.4	1.7
Waste	Mt	104.9	4.5	10.2	4.8	12.9	16.3	14.7	10.1	10.8	4.8	4.6	3.4	2.8	2.0	2.7	0.2
Total materials moved	Mt	173.3	7.0	15.3	12.9	17.4	18.4	18.0	14.9	16.0	9.8	9.6	8.6	8.1	7.3	8.1	1.9
Strip Ratio		1.53	1.81	1.96	0.60	2.91	7.86	4.36	2.13	2.12	0.94	0.93	0.66	0.52	0.36	0.51	0.13
Grade	WO_3%	0.206	0.164	0.196	0.190	0.178	0.174	0.203	0.180	0.238	0.213	0.203	0.205	0.231	0.240	0.226	0.195
High-grade Ore	Mt	53.2	1.7	3.8	5.5	3.3	1.5	2.6	3.4	4.2	4.0	4.0	4.0	4.4	4.9	4.8	1.2
Grade	WO_3%	0.0	0.191	0.228	0.228	0.201	0.201	0.229	0.207	0.267	0.239	0.227	0.230	0.257	0.252	0.239	0.226
Medium-Grade Ore	Mt	7.8	0.4	0.8	1.2	0.6	0.3	0.3	0.7	0.5	0.6	0.6	0.6	0.5	0.3	0.4	0.2
Grade	WO_3%	0.0	0.123	0.124	0.124	0.124	0.124	0.125	0.124	0.124	0.124	0.123	0.124	0.124	0.125	0.125	0.124
Low-grade Ore	Mt	7.5	0.4	0.7	1.4	0.6	0.4	0.4	0.7	0.5	0.4	0.5	0.5	0.5	0.2	0.2	0.2
Grade	WO_3%	0.0	0.099	0.099	0.099	0.098	0.100	0.098	0.101	0.100	0.100	0.099	0.099	0.099	0.097	0.103	0.099
Processing																	
Feed ore	Mt	68.4	1.65	3.80	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	3.58
Feed ore grade	WO_3%	0.0	0.191	0.227	0.228	0.187	0.140	0.169	0.176	0.243	0.215	0.204	0.209	0.242	0.251	0.235	0.147
Recovery	%	various(1)	75.00	83.00/ 78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85
Concentrate at 65% WO_3	t	171,003	3,638	10,900	13,665	11,228	8,382	10,172	10,596	14,578	12,936	12,276	12,549	14,527	15,065	14,119	6,371

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Operating Cash Cost																	
Mining	RMB million	1,800.7	71.9	158.2	132.7	180.3	195.9	189.1	153.5	164.6	101.0	99.4	88.2	83.8	75.7	83.2	23.2
Processing																	
Labor	*RMB million*	*696.9*	*24.4*	*52.8*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*35.2*
Consumables	*RMB million*	*2,389.1*	*82.1*	*177.5*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*121.0*
Fuel, Electricity and Water	*RMB million*	*918.6*	*30.2*	*65.4*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*46.8*
Maintenance and Other Services	*RMB million*	*416.9*	*7.8*	*16.9*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*22.3*
Subtotal	RMB million	4,421.5	144.6	312.5	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	225.2
General and Administrative	RMB million	1,413.6	94.7	94.7	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	69.6
Sales	RMB million	376.2	8.0	24.0	30.1	24.7	18.4	22.4	23.3	32.1	28.5	27.0	27.6	32.0	33.1	31.1	14.0
Resource tax	RMB million	490.9	11.9	27.3	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	25.7
Total	**RMB million**	**8,502.9**	**331.0**	**616.6**	**606.1**	**648.3**	**657.6**	**654.8**	**620.2**	**640.0**	**572.8**	**569.8**	**559.2**	**559.1**	**552.2**	**557.6**	**357.7**

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Operating Cash Unit Cost																	
Mining	RMB/t ore	26.3	29.0	30.5	16.5	40.6	94.2	56.3	32.4	32.1	20.0	19.9	17.1	15.6	14.0	15.5	14.0
Processing																	
Labor	*RMB/t processed*	*10.2*	*14.8*	*13.9*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*
Consumables	*RMB/t processed*	*34.9*	*49.6*	*46.7*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*
Fuel, Electricity and Water	*RMB/t processed*	*13.4*	*18.3*	*17.2*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*
Maintenance and Other Services	*RMB/t processed*	*6.1*	*4.7*	*4.4*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*
Subtotal	RMB/t processed	64.6	87.4	82.2	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9
General and Administrative	RMB/t processed	20.7	57.2	24.9	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4
Sales	RMB/t processed	5.5	4.8	6.3	6.1	5.0	3.7	4.5	4.7	6.5	5.7	5.5	5.6	6.5	6.7	6.3	3.9
Resource tax	RMB/t processed	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Total	**RMB/t processed**	**124**	**200**	**162**	**122**	**131**	**133**	**132**	**125**	**129**	**116**	**115**	**113**	**113**	**112**	**113**	**100**
	RMB/t concentrate	**49,800**	**91,000**	**56,600**	**44,400**	**57,800**	**78,500**	**64,400**	**58,600**	**43,900**	**44,300**	**46,500**	**44,600**	**38,500**	**36,700**	**39,500**	**56,200**
Operation Unit Cost																	
Total	**RMB/t processed**	**159**	**235**	**194**	**151**	**160**	**161**	**161**	**154**	**158**	**144**	**151**	**149**	**149**	**148**	**149**	**179**
	RMB/t concentrate	**63,500**	**106,900**	**67,600**	**54,800**	**70,400**	**95,400**	**78,300**	**71,900**	**53,600**	**55,200**	**61,100**	**58,900**	**50,900**	**48,600**	**52,200**	**100,700**

Source: Independent Technical Report

Notes:

(1) Target recovery rates: H2 2025:75%, 2026:83% and 78.85% (with the ore sorting system).

(2) The cost for equipment replacement and refurbishment has been allocated to the processing cost, amounting to RMB3.29 million per year.

(3) General and Administrative costs include a payment of approximately RMB1.0 million per year to the Kazakhstani Government for the mine rehabilitation fee.

(4) Some totals may not correspond to the sum of the separate figures due to rounding.

(5) High-grade ore is defined at a cut-off grade of >0.14% WO_3; Medium-grade ore is defined at a cut-off grade between 0.12%-0.14% WO_3 and low-grade ore is defined at a cut-off grade of 0.06% WO_3

Our forecast cash operating costs may differ from the actual future cash operating costs due to numerous factors, including the factors described in the sections headed "Risk Factors" and "Forward-looking Statements" in this prospectus.

Operating costs can be inaccurate due to several reasons:

- Variations in inputs: Fluctuations in the costs of labor, utilities and consumables can affect operating costs.

- Geotechnical conditions and processing recoveries: Complexities related to ground conditions, slopes or ore characteristics can increase operating costs. Unforeseen issues may require additional expenses for ground support, specialized equipment or processing methods, resulting in inaccuracies if not anticipated.

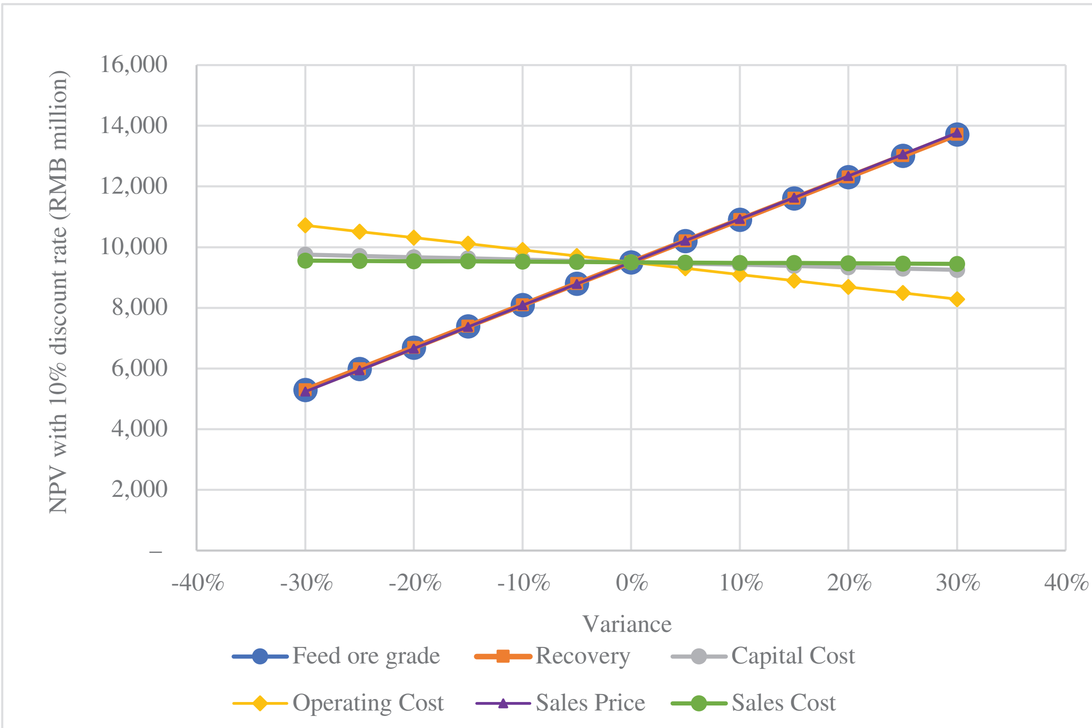
- Regulatory and compliance requirements: Mining operations must comply with various regulations, such as environmental, health, safety and social responsibility standards. Changes in regulations or unexpected compliance costs can impact operating costs, leading to inaccuracies if not accurately estimated.

- Equipment performance and maintenance: Equipment breakdowns, inefficient utilization and higher-than-expected maintenance needs can raise operating costs. Inaccurate assumptions regarding equipment performance or maintenance schedules can create higher operating cost.

- Inefficient operational practices: Poor production planning, suboptimal mining methods and ineffective resource allocation can contribute to higher operating costs. Inaccurate assumptions and inadequate optimization of operational processes can result in cost overruns.

The key assumptions for the forecast operating cost estimates are primarily based on the SSU Contract, contracts with or quotations from consumable providers, contracts with employees, the current government contract for water price and research on current and projected fuel and electricity prices. The applicable taxes include a resource tax at the rate of 7.8% of revenue.

The following post-tax sensitivity analysis at a discount rate of 10% as set forth in the Independent Technical Report illustrates the impact of certain key parameters (including the feed ore grade, processing recovery, capital cost, operating cost, sales price and sales cost) on the net present values (NPVs) of the Boguty Project:



Source: Independent Technical Report

According to the Independent Technical Report, if discount rates of between 8% and 14% are used, this would imply positive post-tax NPVs within the range of RMB7,611 million and RMB10,725 million. In addition, according to the Independent Technical Report, a breakeven analysis shows that the post-tax NPV at a discount rate of 10% will become zero when the average tungsten concentrate price is approximately RMB64,000/t, and the payback period, which is the amount of time required to recoup the initial capital cost, is approximately 3.1 years.

Risks Associated with the Boguty Project

The mining industry inherently has a high level of risk, which is accumulated due to factors such as the nature of ore body, ore distribution, grade and variations in mining and ore processing which are not able to be accurately predicted or accounted for. The following table sets forth a summary of the risk assessment undertaken by the Independent Technical Consultant, including its assessment result and the ratings of the relevant risks as well as recommendations for actions to mitigate technical risks:

			Risk				
Risk	**Description**	**Control Recommendations**	**Likelihood**	**Consequence**	**Rating**	**Mitigation Measures**	**Implementation Status and Time Frame**
Mineral Resource							
Lower ore grade . .	Lower ore grade than estimated in the resource model.	Impose a systematic grade control protocol. Reconcile the grades obtained from in-pit sampling and production figures with the grade in the resource model.	Possible	Moderate	Medium	Carry out the production exploration to further figure out the regularity of occurrence of ore body. Strictly control ore dilution loss during production. Apply advanced mining softwares to achieve optimal mining.	We commenced the production exploration in December 2023 and plan to further carry out such exploration regularly as a basis for production planning in the course of future mining. We have started the procurement and application of mining softwares.
Mining							
Production plan . .	The stripping ratio is high in the early stage and it may be challenging to meet ore production targets.	Ensure that contractor can fulfill the obligations to meet the production plan and resolve issues that could cause production delays.	Unlikely	Moderate	Low	Outsource mining operations only to contractors with sufficient mining production capacity.	We are seeking legal advice and preparing technical requirements related to mining contractors. We plan to specify the requirements for execution of production plan in the bidding documents and in the selection of contractors.

Risk	Description	Control Recommendations	Risk Likelihood	Risk Consequence	Risk Rating	Mitigation Measures	Implementation Status and Time Frame
Stockpile management . . .	Inadequate space for ore stockpile.	A backup stockpile plan should be developed if the stockpile is full.	Unlikely	Minor	Low	The low grade ore stockpile only exists within the first two years after commencement of production, and after the application of the ore sorting system, we do not expect to have further issues of the low grade ore stockpile. The existing mine site is expected to be sufficient for the low grade ore stockpile before installation of the ore sorting system.	We plan to complete the construction and test of the ore sorting system and put it into use by the end of 2027.
Equipment shortage .	Insufficient quantity of production equipment as a result of unstable total material movement.	Ensure that the amount of equipment that contractors provide is flexible and can meet the production plan.	Possible	Minor	Low	Outsource mining operations only to contractors with sufficient mining production capacity.	We specified the requirements for equipment configuration and level required for production (which a contractor needs to meet as a prerequisite to ensure the stable production operations) in the bidding documents and in the selection of contractors.

Risk	Description	Control Recommendations	Risk Likelihood	Risk Consequence	Risk Rating	Mitigation Measures	Implementation Status and Time Frame
Processing							
Unable to achieve the designed performance of ore sorting, resulting in an over-estimate in ore processing capacity and tungsten concentrate yield .	Ore sorting facility is designed with waste reject rate of 33.33% and metal loss of less than 7.1%. With ore sorting, the processing capacity can increase from 10 ktpd to 15 ktpd. Laboratory tests could achieve the designed performance, but the sample grades vary, indicating uncertainty on the actual reject rate and metal loss percentage.	Carry out industrial-scale test on ore sorting after completion of phase I construction.	Possible	Moderate	Medium	Conduct small-scale and industrial ore sorting tests.	Ten tonnes of ore was transported to China for small-scale ore sorting tests in 2023. We have cooperated with a research institute in China to establish a joint mineral processing laboratory for carrying out tests on ore sorting. We plan to continue to adjust processing technical conditions and pursue good processing technical indicators in the future. We plan to begin industrial ore sorting tests in 2025 to configure ore sorting equipment based on the test result and ensure that the ore sorting capacity can be met.
Impact of return water on tungsten recovery	Return water contains large amount of sodium silicate, potential flocculants and other unavoidable ions which could have a negative impact on scheelite recovery.	Continually monitor the effect of return water on processing indices during actual production. Carry out treatment on return water when necessary.	Unlikely	Moderate	Low	Add lime and return water reagents before the tailings are transported into the TSF.	We plan to take such measure upon commencement of production and continue to monitor and adjust the processing workflow if needed in the future.

Risk	Description	Control Recommendations	Risk Likelihood	Risk Consequence	Risk Rating	Mitigation Measures	Implementation Status and Time Frame
Infrastructure							
Damage to pipeline from Charyn River, and subsequent effect on supply of processing water to the plant . . .	The planned extraction of make-up water from the Charyn River is a risk should pipeline become damaged.	Adequate design and construction of the pipeline. Monitoring and maintenance of the pipeline.	Possible	Minor	Low	Strengthen the quality control of pipeline construction and carry out pressure test on pipeline.	We have completed the construction of the water supply pipeline and put it into operation, with good results. We plan to strengthen the maintenance and inspection during production and use storage tanks to ensure water supply for production and ore processing. We believe such maintenance work is readily achievable as there are no buildings, farmlands and other important facilities along the pipeline.

Risk	Description	Control Recommendations	Risk: Likelihood	Risk: Consequence	Risk: Rating	Mitigation Measures	Implementation Status and Time Frame
TSF							
Reduction of available water in Charyn River, and subsequent effect on supply of processing water to the plant . . .	The planned extraction of make-up water from the Charyn River is a risk should this resource become limited.	Conduct climate change assessment for the Project to identify the associated risks to water supply and maximize water recycling and re-use.	Unlikely	Moderate	Low	Keep regular communication with the Kazakhstani Government to ensure that water use permits are effective and make full use of tailings return water to reduce the use of external water supply.	We have been in regular communication with the Kazakhstani Government to enure sustainable water extraction from the Charyn River.
Lack of TSF underdrainage in the design will lock up a portion of return water . .	A proportion of the return water will be locked up in deposited tailings.	Install underdrainage or an alternative means of returning this water to the Plant (e.g. well point system).	Possible	Minor	Low	This factor was taken into account in the tailings return water plan in the project design.	We plan to follow the design plan.

Risk	Description	Control Recommendations	Risk Likelihood	Risk Consequence	Risk Rating	Mitigation Measures	Implementation Status and Time Frame
Cost							
Higher operating cost	Higher operating cost, resulting in poor financial performance	Secure a long-term contract at a favorable exchange rate with suppliers and confirm advanced procurement orders with them.	Possible	Moderate	Medium	Conduct market research, optimize procurement channels and select suppliers that meet quality and price conditions. Optimize the processing techniques, study policies, reduce consumptions, control expenditures and reduce costs during production.	We have completed the market research on production materials required for phase I commercial production in 2025 and purchased certain products. We plan to keep optimizing cost control measures during commercial production.
Lower commodity price	A decline in commodity price, leading to poor financial results.	Regularly monitor commodity price trends, market forecasts, and industry developments to proactively identify potential risks and opportunities. Develop contingency plans and scenario analyses to assess the financial impact of different price scenarios and adjust strategies accordingly.	Possible	Moderate	Medium	Strengthen operation management, strive to achieve good technical and economic indicators and enhance market competitiveness.	We plan to implement such measure throughout the entire operation process after production commences.

Risk	Description	Control Recommendations	Risk			Mitigation Measures	Implementation Status and Time Frame
			Likelihood	Consequence	Rating		
Environment and Social							
Changes in Charyn River flow and/or legal permitting regime may result in risk of limitation of water availability . . .	Changes in Charyn River flow or permitting regime of the National Park may result in risk of limitation of water available for abstraction from the river for processing purposes.	Conduct climate change assessment for the Project to identify the associated risks to water supply and maximize water recycling and re-use.	Unlikely	Moderate	Low	Enter into a cooperation agreement with the National Park to ensure the legal compliance of the construction and operation of the water abstraction and supply system within LOM.	We have executed such agreement with the National Park.
Insufficient understanding of surrounding land use types that may result in additional risks and impacts .	The detailed surrounding land use mapping has not yet been completed for the project. Doing so is necessary as it furthers the understanding of how the land use can be affected by mining and processing operations and informs the potential post-closure land use options.	Carry out a land use study to understand any potential risks and impact and extend the existing fencing around the Project area to prevent any grazing cattle from accessing the area and its facilities.	Possible	Minor	Low	Fence the open area of the project to prevent any grazing animals from entering and acquire the land use rights of surrounding pastures.	We have set up such fence and have completed the acquisition of land use rights for surrounding pastures.
Lack of understanding of biodiversity of the Project area resulting in potential loss of biodiversity . . .	Risk of net biodiversity loss due to lack of understanding of biodiversity context and management measures. The Project is located close to a water abstraction point and a supply pipeline route is within an area that may have protected species and migration routes.	As required in the environmental management plan, initiate and regularly carry out the field studies on biodiversity for the Project footprint and water intake and supply pipeline route located within the boundaries of the national park. Develop appropriate mitigation measures to mitigate identified risks.	Possible	Minor	Low	Restore the surface configuration along the pipeline and the migration route after the water supply pipeline pressure test is completed. Conduct the preliminary biodiversity survey and subsequent follow-ups. Maintain positive interactions with natural reserves and implement established measures related to biodiversity.	We have completed the preliminary biodiversity survey results and plan to follow up during production. We have completed the backfilling of the water abstraction route.

Risk	Description	Control Recommendations	Risk Likelihood	Risk Consequence	Risk Rating	Mitigation Measures	Implementation Status and Time Frame
Lack of understating of mine waste geochemistry (acid rock drainage and metal leaching (ARDML) properties), resulting in additional expenditure for management to prevent pollution .	Potential for ARDML of mine waste materials has not been studied. There is risk of pollution of soils downstream of mine waste facilities, groundwater and surface waters.	Carry out a geochemical study to assess risks related to ARDML and develop mitigation measures if required. Additional WRD drainage water collection and treatment facilities may be required if ARDML potential is identified.	Possible	Minor	Low	Adopt anti-seepage at the bottom of the TSF and in the dam body to prevent waste water pollution.	We have carried out the materials selection and lining installation according to the anti-seepage processing design of the TSF and strengthen the safety management of the TSF to prevent the leakage of waste water. We plan to start ARDML characteristics research in due course according to the operation monitoring results of the TSF.
Incomplete closure plan and liabilities estimate resulting in underestimation of technical and financial implication of Project closure . .	Existing LOM closure plans and liability estimates only include mining area (open pit, WRDs, auxiliary infrastructure), and the closure plan for the processing plant and TSF only reflects the current liability.	Develop and regularly update a comprehensive closure plan and associated cost estimate, covering the entire mine footprint, including the mining area, processing plant, TSF, and auxiliary infrastructure.	Possible	Moderate	Medium	Develop closure plan covering the entire mine site after completion of the construction.	We will regularly update the reclamation plan in accordance with government requirements and pay relevant reclamation fees to the government designated account.

Risk	Description	Control Recommendations	Risk Likelihood	Risk Consequence	Risk Rating	Mitigation Measures	Implementation Status and Time Frame
Lack of understating of potential climate changes of the Boguty Project area resulting in additional mitigation and adaptation requirements . . .	Effects of climate change may impact the performance of operation. For example, there is currently no climate change-related assessment and management strategy for the Project.	Assess climate change-related significant issues which may impact the operation (see water abstraction). Develop adaptation and mitigation measures to manage the issues, and integrate into project operation practices if required.	Unlikely	Moderate	Low	Assess regional climate conditions and take mitigation measures if needed.	We plan to implement such measure on a regular basis.
Insufficient stakeholder engagement resulting in unanticipated stakeholder concerns	There is no stakeholder engagement plan for Project that would identify and structure communication with potentially affected stakeholders.	Develop and implement a stakeholder engagement plan to identify all relevant stakeholders, and define means and frequency of communication to strengthen the engagement.	Unlikely	Minor	Low	Engage with stakeholders regularly during production.	We plan to engage with stakeholders on a regular basis.

Risk	Description	Control Recommendations	Risk Likelihood	Risk Consequence	Risk Rating	Mitigation Measures	Implementation Status and Time Frame
Non-renewal of licence	Operating licence and other key licences are not renewed by the government authorities	Assess the compliance status of all key licences and identify any potential areas of non-compliance. Take prompt action to rectify any deficiencies or violations, ensuring strict adherence to ESG standards.	Unlikely	Major	Medium	Complete the construction of the project and put it into operation. Conduct mining activities in compliance with relevant laws and regulations. Focus on the safety and environmental protection management. Strictly perform the responsibilities and obligations stipulated in the SSU Contract as well as in the respective license. Attach great importance to ESG and regularly manage the risk of any potential deficiencies or violations.	We have signed the supplemental agreement with the relevant competent authority to agree on an addendum to the SSU Contract with respect to changing the commencement time for production. We have executed such addendum to the SSU Contract and plan to strictly perform the responsibilities and obligations stipulated in the SSU Contract as well as in the respective license.

Risk	Description	Control Recommendations	Risk Likelihood	Risk Consequence	Risk Rating	Mitigation Measures	Implementation Status and Time Frame
Export restrictions .	Kazakhstan government imposing tungsten concentrate export restrictions.	Consider establishing local downstream processing facilities to add value to the tungsten concentrate within Kazakhstan. By processing the concentrate domestically, mining companies can potentially bypass export restrictions and access higher-value markets for processed tungsten products.	Unlikely	Major	Medium	Develop and implement APT commercialization plan to increase the added value of tungsten concentrate.	We have developed APT commercialization plan and target to implement such plan by 2027.
Delay in commencement of phase II commercial production	Construction delay or other issues identified during phase I production result in the delay of phase II commercial production.	Implement robust project management practices to ensure timely completion of construction activities and successful phase I commercial production.	Unlikely	Moderate	Low	Utilize previous trial studies and experience from our management team's track record of mine operations to improve construction performance and achieve production pursuant to the current timetable.	We commenced phase I commercial production in April 2025. We plan to commence phase II commercial production in the first quarter of 2027.

Source: Independent Technical Report

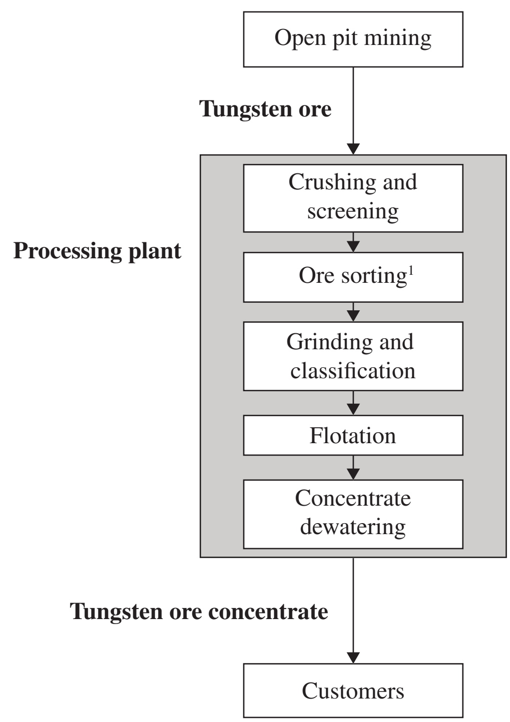
The Independent Technical Consultant believes the control recommendations are appropriate and the identified risks can be generally managed if the control recommendations are implemented. The Independent Technical Consultant has also reviewed the mitigation measures that we have taken for these risks and considers that these are appropriate.

We plan to continue to identify and manage potential risks in our operations and future productions, especially those with a potentially significant impact on our operations and financial performance. For example, we plan to keep close communication with the local authorities and community to ensure that our operations for the Boguty Project is in compliance with the SSU Code and the SSU Contract. Therefore, while the non-renewal of the SSU Contract imposes a material risk on our operations, it is unlikely that this incident will occur as advised by our Kazakhstan Legal Advisors. In particular, as advised by our Kazakhstan Legal Advisors, similar to other licenses, permits and approvals in Kazakhstan, Subsidiary ZV's ability to renew the SSU Contract depends on Subsidiary ZV's capability to provide the required documents and satisfy the respective requirements imposed by the MIC at the time of application for such renewal. Given that we have been able to obtain the SSU Contract and execute relevant addenda with the MIC in the past, our Kazakhstan Legal Advisors are of the view that we will be able to renew the SSU Contract upon its expiry, provided that we could satisfy the requirements imposed by the MIC at the time of such renewal. Similarly, while we experienced certain delays in the construction of our Boguty Project and have not commenced production in accordance with the addendum No. 3 to the SSU Contract, we have actively worked with the relevant competent authority to rectify such issue and received the Second Confirmation Letter from the MIC confirming that the SSU Contract will not be terminated. On August 16, 2024, MIC and ZV executed Addendum No. 4 to the SSU Contract extending the full-production commencement term to 2025. See "—Legal Proceedings and Compliance—Delays in Commencing Mining Operations" for details of such confirmation. While such delays in commencing production have affected our cash flows in 2024 due to reduced tungsten production in that particular year, we do not expect any long-term impact on our future operations as we commenced phase I commercial production in April 2025. Furthermore, certain risks also present opportunities to improving our business operation and financial performance. For example, the changes in commodity price (*i.e.,* tungsten price) are expected to have a significant impact on our operating results because the operating cost of a mine is relatively stable for a certain period of time after the mine is put into production. The tungsten concentrate price has been increasing substantially recently, which may enhance our operation prospects if such trend continues. In addition, while risks due to potential issues with exporting and shipping may have substantial impact on our operations given that we expect to export and ship our products mainly to customers outside Kazakhstan, it is unlikely that such issues will arise as advised by the Independent Technical Consultant, especially taking into account favorable exportation policies of Kazakhstan, the trend of encouraging importation of certain resources in China and our transportation channel and conditions.

MINING OPERATIONS AND PROCESSING FACILITIES

Overview

Our production process involves two main processes: mining and processing. The mining operation is conducted by a local subsidiary of CCECC in Kazakhstan, who is engaged through a public tender and has the required mining fleet and associated capacity. We are responsible for the processing operation. The following diagram sets forth the general workflow of the production of tungsten concentrate:



Note:

1. We expect to complete the integration of the ore sorting system into the existing mining flowsheet in 2026.

Mining

We adopt open pit mining for our operations of the Boguty Project, which typically consists of (i) drilling, blasting and excavation, (ii) loading and haulage of ore and waste and (iii) grade control and dewatering of the open pit. The mining sequence is designed to occur from top to bottom, with two benches operating simultaneously. Drilling and blasting are undertaken by a professional drill and blast contractor responsible for drilling, hole survey, explosive transportation, charging, stemming and blasting. The maximum size of blasted rock is one meter. Any oversize ore rock is further crushed by hydraulic hammers to produce a more uniform size. To carry out blasting operations, down-the-hole hammer (DTH) drill rigs equipped with mobile air compressors are required to make blast holes with a diameter of 165 mm. Loading is carried out by hydraulic excavators with 5.5 m^3 bucket capacities and front-end loaders. A fleet of articulated haulage trucks (55 t) transport the ore to the processing plant and stockpiles. The waste is transported directly to the waste rock dump (WRD).

Processing

Overview

We designed our processing workflow principally based on a feasibility study prepared by an Independent Third Party, which is a civil engineering company, in 2019. The civil engineering company has a history of more than 70 years and is one of the design institutes with the strongest nonferrous metal mine design capabilities in China, according to Frost & Sullivan. It has been engaged in mine design projects in over 30 countries and regions globally and has delivered more than 400 mine design results, including multiple medium- and large-scale nonferrous metal mine projects in China, such as the Dexing copper mine, Yinshan copper mine, Yongping copper mine, Wushan copper mine and Sichuan Maoniuping rare earth mine, which have all reached the designed development scale and achieved respective production targets. The civil engineering company has a Class A engineering design qualification certificate issued by the PRC Ministry of Housing and Urban-Rural Development and a Class A foreign project contracting qualification certificate issued by the PRC Ministry of Commerce. The designed processing flowsheet includes the crushing and screening circuit, ore sorting circuit, grinding circuit and rougher flotation circuit, heated cleaner circuit and concentrate dewatering circuit. For details, please refer to "Appendix III—Independent Technical Report—Mineral processing." The diagram below illustrates the processing plant complex for our Boguty Project:

Source: Independent Technical Report

Note: A: Primary crushing station, B: Substation, C: Ball mill, D: Flotation column, E: Flotation cells, F: Scheelite concentrate.

Crushing and screening circuit

The crushing circuit will be a traditional three-stage crushing and one closed circuit flowsheet. Ore will be transported by trucks to the primary crushing station near the open pit and unloaded directly into the feed bin of a gyratory crusher. Adjacent to the feed bin, a crawler-type mobile hydraulic breaker will be installed to break any oversize rocks. The gyratory crusher will reduce the size of the ore to less than 300 mm, *i.e.*, the primary crushed ore, which will then be transported to the stockpile area of the processing plant through a two-kilometer long belt conveyor system.

The effective storage capacity of the primary crushed ore stockpile is designed to be 12,000 t, which will serve as a buffer between processing and mining rates, ensuring a continuous production in the processing plant. Three heavy-duty apron feeders will be installed below the primary crushed ore stockpile, feeding the ore to a secondary crushing cone crusher in the crushing plant through the belt conveyor. Secondary crushed ore will be transported through the belt conveyor to the two sets of double deck circular vibrating screens in the screening plant for pre-screening.

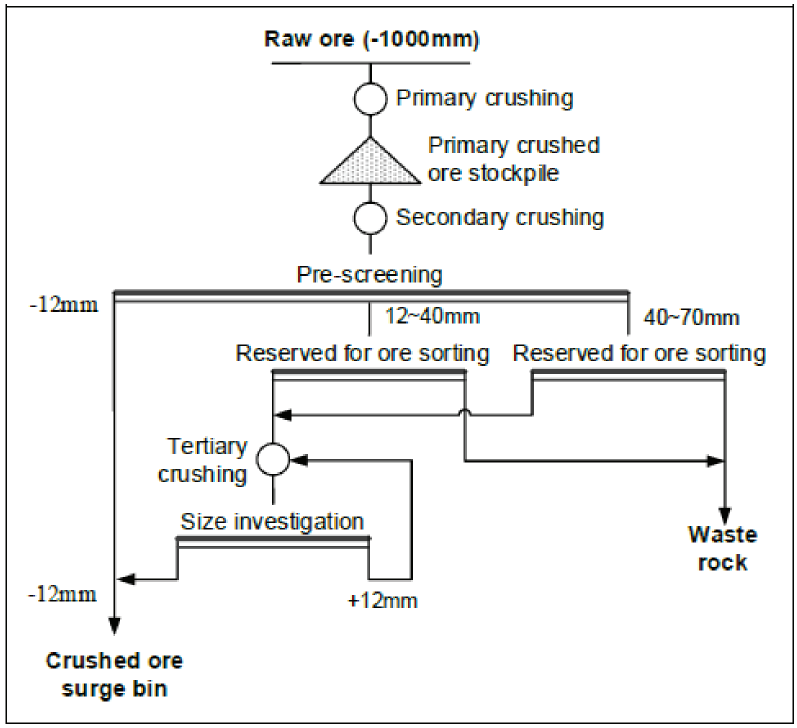
Before the ore sorting system is installed, the oversize of the double deck vibrating screens and intermediate products will be returned to the two tertiary crushing cone crushers in the crushing plant through the belt conveyor. The finely crushed material will be sent back to the two sets of single deck circular vibrating screens in the screening plant through the belt conveyor for size inspection. The screen oversize material will be combined with the pre-screening oversize material and transferred back for tertiary crushing through the belt conveyor to form a tertiary crushing closed circuit.

The undersize ore materials from the double deck and single deck vibrating screens have a particle size of less than 12 mm. They will be transferred to the surge bin through the belt conveyors. The effective storage capacity of the ore surge bin is designed to be 10,000 t, which will serve as a buffer between the crushing and grinding processes to ensure continuous production of the grinding operation. There will be 14 flat gates under the ore surge bin, and the ore will be fed to two series of ball mills via two belt conveyors.

Ore sorting system

To perform ore sorting and waste rejection, we have designed an ore sorting operation for screened and oversize ore materials produced from secondary crushing. After the operation of the ore sorting system is commissioned in the third year, the pre-screening after secondary crushing will divide the secondary crushed ore into three size fractions: <12 mm, 12–40 mm and >40 mm (40–70 mm). The fine size fraction (<12 mm) will be processed in the same way as the original flowsheet and sent to the ore surge bin through the belt conveyors. The other size fractions (12–40 mm and 40–70 mm) will be conveyed to the buffer bin in the ore sorting facility. Four conveyor feeders will be installed under the coarse-grain bin to feed four ore sorters for pre-concentration, and eight conveyor feeders will be installed under the medium-grain bin to feed eight intelligent ore sorters. The concentrates of all ore sorters will be collected for tertiary crushing. All the waste rejects from the sorting machine will be collected by another belt conveyor, transported to the reject stockpile and then transported by vehicles to the WRD or TSF as materials for raising the dams.

The following diagram illustrates the designed crushing and ore sorting flowsheet for the Boguty Project:



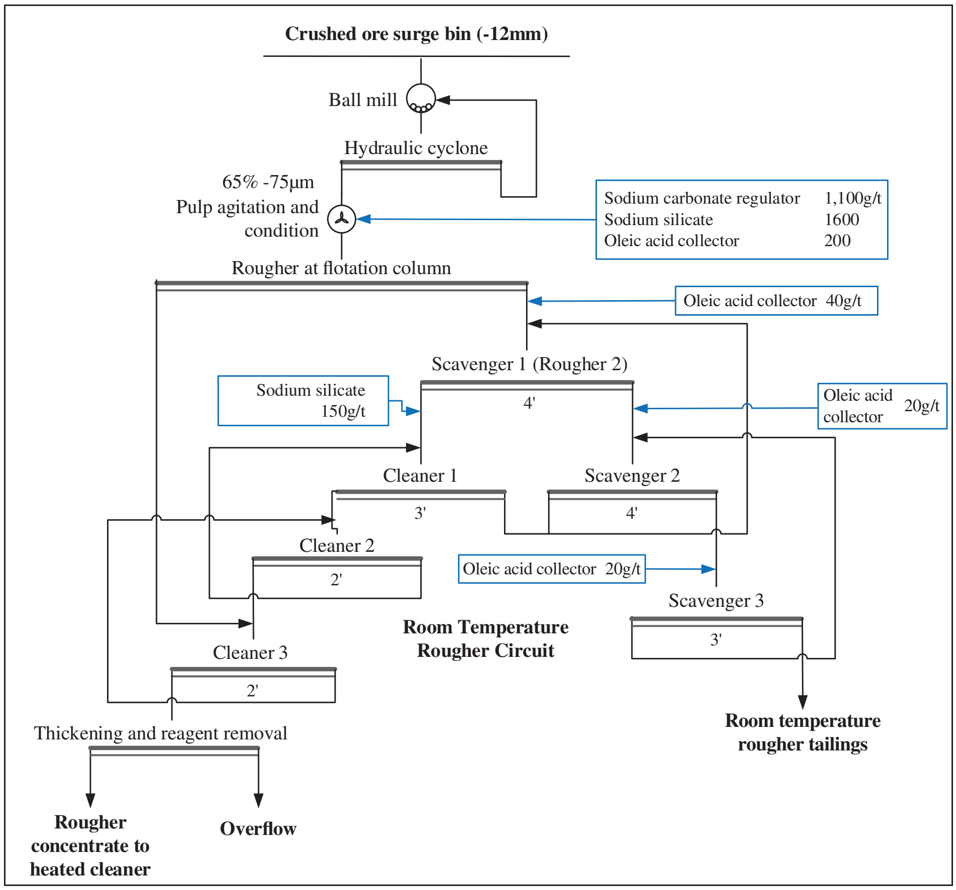
Source: Independent Technical Report

Grinding circuit and rougher flotation circuit

There are two grinding circuits. A ball mill, mortar pump and cyclone unit will form the grinding-classification closed circuit. The ore discharge from the ball mill will be classified by the cyclone, and the underflow will be returned to the ball mill. The combined overflow in two grinding series will flow into an agitation tank before flotation, which will be agitated, conditioned and pumped to three flotation columns for roughing.

The rougher process will consist of one-stage rougher, three-stage scavenger and three-stage cleaner. The flotation columns can be used for both roughing and cleaning. The resulting concentrate will flow by gravity to a cleaner of the cleaner section in the rougher circuit. The flotation columns' tailings will flow to the scavenger section, producing the final tailings after three stages of scavenging that will subsequently be pumped to the TSF. Scavenger 1 concentrate will undergo three-stage cleaning to produce a rougher concentrate and middling. The middling will return to Scavenger 1. The rougher concentrate will undergo thickening and reagent removal and be transferred to the heated cleaner circuit.

The following diagram illustrates the designed grinding and rougher flowsheet for the Boguty Project:

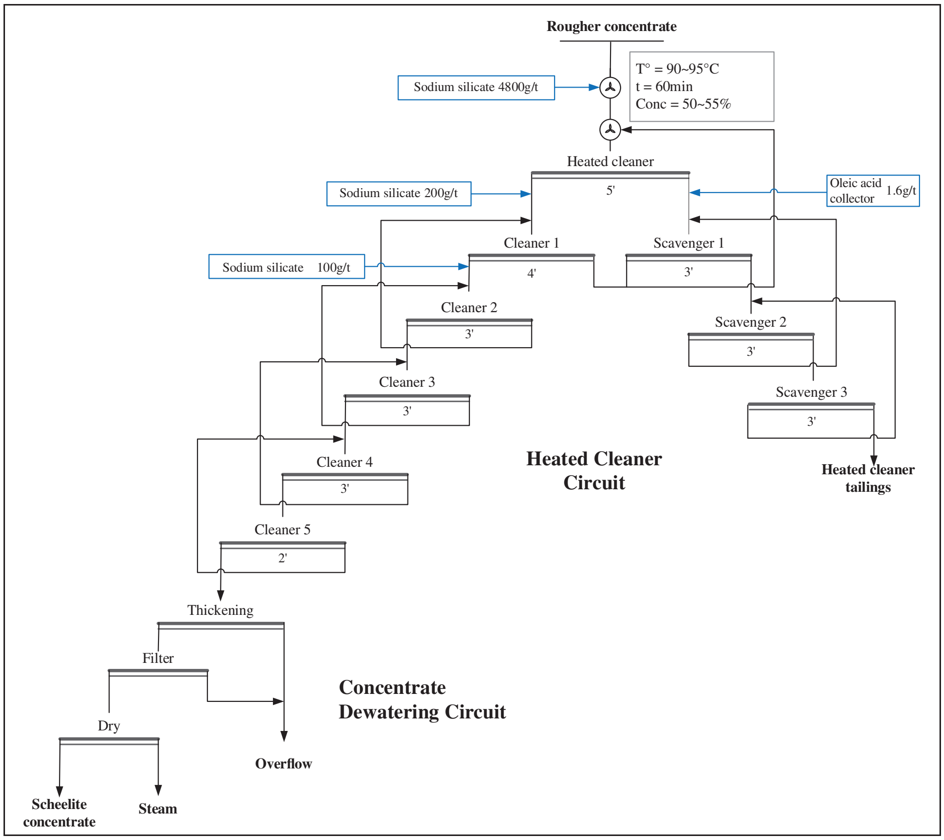


Source: Independent Technical Report

Heated cleaner circuit and concentrate dewatering

The concentrate ore pulp in the room temperature flotation circuit will be pumped to a thickener and concentrated to a grade of 50-55%. The overflow will be sent to the concentrate overflow treatment station, and the underflow will be pumped to six heated agitation tanks that are steam-heated to over 90 °C. The heated underflow will then be pumped to another agitation tank for the addition of flotation reagents and pulp conditioning, before subsequently entering the heated cleaner circuit. The cleaner circuit will adopt the flotation flowsheet of one-stage rougher, three-stage scavenger and five-stage cleaner. The cleaner tailings will be combined with the tailings produced in the room temperature rougher circuit and pumped to the TSF. The final flotation concentrate will be pumped to a thickener. The underflow will be fed to a plate-and-frame filter press. The resulting filter cake will be sent to a steam dryer through a spiral conveyor. The dried product is then sent to a bucket elevator through a spiral conveyor, mixed in a mixer and packed in a 1 t bag by an automated packing machine for storage and transportation. Thickener overflow and filter press filtrate containing sodium silicate and flocculants will be returned to the cleaner circuit for pulp conditioning and to serve as rinsing water.

The following diagram illustrates the designed cleaner and concentrate dewatering flowsheet for the Boguty Project:



Source: Independent Technical Report

According to the Independent Technical Report, given the planned installation of an ore sorting circuit in phase II of the commercial production, it is reasonable to adopt the crushing-grinding flowsheet which is mature and stable. Based on the ore sorting test results, the Independent Technical Consultant is of the opinion that ore sorting is viable but recommends conducting experiments with multiple ore sorting machines produced by different manufacturers to identify the most suitable equipment for on-site industrial tests. According to the Independent Technical Report, the flotation flowsheet used to recover scheelite is also a mature technique without major defects but it will be necessary to continuously monitor the impact of return water on the processing indices and treat the return water when necessary. Based on the Competent Person's site visit and inspection, the Independent Technical Consultant is of the view that the processing plant has been built to a high standard to date.

Production capacity and plan

The processing plant is expected to be developed in two phases and our constructions has accommodated such phased development. We commenced phase I commercial production in April 2025 with a target annual mining and processing capacity of 3.3 Mtpa, or 10,000 tpd, of tungsten ore in 2025. In phase II which is planned to begin in the first quarter of 2027, the target annual mining and processing capacity will be raised to 4.95 Mtpa, or 15,000 tpd, of tungsten ore. The processing plant is designed to operate 24 hours per day, 7 days per week on a three-shift basis, which is equivalent to 7,920 hours annually or a utilization rate of 90.4%. The utilization rate of 90.4% is a common indicator according to which non-ferrous mining enterprises typically design and arrange their productions, which entails production for 330 days per year (three shifts/24 hours per day) and annual maintenance and planned production shutdown for the remaining 35 days in each year, which is also reasonable according to the Independent Technical Consultant. While the Boguty tungsten mine is located in an area with severe weather conditions, including an extremely low temperature of below -10 ˚C for about two months each year, such weather condition is unlikely to cause a material negative impact on our operations because (i) the construction of our mining operations has taken into account the cold protection and anti-slip measures for the winter, (ii) the Charyn River, our primary source of water supply, is not frozen throughout the year, and (iii) our processing facilities are closed and equipped with insulation measures, and we have a heated cleaner circuit which would further limit any impact from the cold weather conditions on our processing. As a result, we believe that there is no major factor that would impact our continuous production at the Boguty tungsten mine throughout the year. The table below summarizes the designed processing parameters for our Boguty Project:

Phase	Product	Capacity	Capacity	Yield	Grade	Recovery
		(tpd)	*(tpa)*	*(%)*	*(WO_3)*	*(WO_3)*
Phase I	Concentrate	28.22	9,313	0.282	65.00	83.00*(Note 1)*
	Tailings	9,972	3,290,687	99.718	0.038	17.00
	Raw ore	10,000	3,300,000	100.000	0.221	100.00
Phase II	Concentrate	42.94	14,171	0.286	65.00	78.85
with ore	Tailings	9,957	3,285,829	66.380	0.050	14.05
sorting	Waste	5,000	1,650,000	33.333	0.050	7.10
	Raw ore	15,000	4,950,000	100.000	0.236	100.00

Source: Independent Technical Report

Note:

1 Target recovery of 75% in H2 2025.

The table below summarizes the target throughput of our Boguty Project:

Throughput	H2 2025	2026	2027	2028 onwards
Mt	1.65	3.80	4.95	4.95

Source: Independent Technical Report

Machinery and equipment

Our mining activities require various types of machinery and equipment, including but not limited to, DTH drill rigs, excavators, trucks, dozers and front-end loaders. Such machinery and equipment are expected to be purchased by our contractors as we have adopted the EPC model and engaged CCECC (including its local branch in Kazakhstan) as our EPC contractor, which arrangement is further elaborated in "—Our Suppliers and Contractors" below.

OUR PRODUCT

Our product comprises scheelite concentrate containing 65% WO_3. Scheelite concentrate containing 65% WO_3 is an intermediate in the recovery of tungsten from its minerals, and tungsten has a higher melting point and density, and good high-temperature resistivity and thermal stability, leading to a growing demand globally, according to Frost & Sullivan.

Our product is a commodity and we expect the biggest factor affecting its price will be the corresponding commodity price indexes which are in turn affected by global supply and demand. We expect pricing terms in sales contracts we enter into will explicitly make reference to such price indexes and database, subject to adjustment based on the quality of the tungsten ore concentrates. In addition, according to Frost & Sullivan, high-end tungsten products are expected to be in higher demand and command higher selling prices.

We commenced the phase I commercial operation of the Boguty Project in April 2025, with a target annual mining and processing capacity of 3.3 Mtpa, or 10,000 tpd, of tungsten ore in 2025. In addition, we expect to bring our phase II Boguty Project into commercial production in the first quarter of 2027, while the target annual mining and processing capacity will be raised to 4.95 Mtpa, or 15,000 tpd, of tungsten ore. We derived all of our revenue from sales of tungsten concentrate for the six months ended June 30, 2025. The following table sets forth the production volume, sales volume, revenue and average selling price of tungsten concentrate produced by us:

	For the six months ended June 30,			
	2025			
	Production Volume	Sales Volume	Revenue	Average Selling Price[1]
	tons	*tons*	*HK$'000*	*HK$'000/ton*
Tungsten concentrate	1,205	826	126,313	152.9

1 Arithmetic calculation by dividing the revenue by the sales volume.

SALES AND MARKETING

Apart from tungsten ore concentrate, we plan to carry out further processing steps to produce ammonium paratungstate (APT) and tungsten carbide powder (WC) using the net proceeds from the Global Offering. For more details, see "Future Plans and Use of Proceeds." We expect to sell our tungsten products primarily to the PRC in the near term.

Customers and sales agreements

As of the Latest Practicable Date, we had entered into scheelite sales agreements with (i) Jiangxi Copper Hong Kong Company Limited, which is our connected person, and (ii) Jiangxi Tungsten Corporation Limited, which is an Independent Third Party, with respect to the sales of scheelite concentrate in 2025 and 2026. During the Track Record Period, we only generated revenue from one customer, Jiangxi Tungsten Corporation Limited, since we just commenced commercial production for phase I in April 2025 and only made sales to this customer pursuant to our sales agreements with them. Jiangxi Copper Hong Kong Company Limited is our connected person, our transactions with them would constitute non-exempt continuing connected transactions under Chapter 14A of the Listing Rules after the Listing, see "Connected Transactions—Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent shareholders' approval requirements—Scheelite sales agreement" for details.

The following table sets forth the background information on the parties who had entered into sales agreements with us as of the Latest Practicable Date and information on the relevant sales agreements:

Name	Location	Date of establishment	Nature of business	Product name	Date of sales agreement	Estimated delivery time	Total estimated delivery quantity
							tons
江西鎢業股份有限公司 (Jiangxi Tungsten Corporation Limited)	Jiangxi, PRC	December 16, 2005	Rare metals mineralization	Scheelite concentrate containing 55%-60% WO_3	December 8, 2024 through July 15, 2025(1)	April 2025 to June 2026	3,000
江西銅業香港有限公司 (Jiangxi Copper Hong Kong Company Limited)	Hong Kong	February 28, 2012	Metal trading	Scheelite concentrate containing 65% WO_3	April 2, 2025 (as amended by a supplemental agreement dated July 31, 2025)	January 2026 to December 2026	1,650

Note:

(1) We entered into a framework sales agreement with Jiangxi Tungsten Corporation Limited and its subsidiaries, Jiangwu Tungsten Trading Hong Kong Co., Ltd., on December 8, 2024 and July 15, 2025, respectively. These framework agreements set out the estimated monthly delivery amount and total estimated delivery amount during the contract period, and also provided that the actual delivery amount for each month shall be further agreed to between the parties, which shall not be less than 60% of the estimated amount. We entered into a separate sales agreement with Jiangxi Tungsten Corporation Limited or Jiangwu Tungsten Trading Hong Kong Co., Ltd. for each batch of products actually delivered, which set out the delivery amount and price, based on the specifics of the relevant products.

We only had one customer during the Track Record Period, and none of our Directors or their associates, and none of our existing Shareholders who (to the knowledge of our Directors) own more than five percent of our issued share capital, had any interest in this customer.

Measures to mitigate the risk associated with deriving our revenue from a very limited number of customers

To mitigate the risk of deriving our revenue from a very limited number of customers, we had implemented and intend to implement the following measures:

(i) maintain and strengthen our relationship with our current customer through regular contacts with it which can enable us to obtain first hand information on its business condition thereby allowing us to formulate alternative sales plan in case of any contingency; and

(ii) continuously broadening our potential customers base so as to mitigate the risk that any one of our customers is to substantially reduce the quantity of the order they place with us or is to terminate their business relationship with us entirely, we can obtain orders from these potential customers to replace any such lost sales on comparable terms.

According to Frost & Sullivan, there is a growing demand for tungsten globally, and our tungsten products are a standard metal commodity that is used widely in various industries, leading to a stable market demand. As such, our Directors are of the view that even if any of our customers does not honor its contractual obligations, we will be able to find substitute customers on commercially acceptable terms.

According to Frost & Sullivan and our internal research on the tungsten market, tungsten concentrate smelting (which produces APT and WC) is the main downstream industry for tungsten concentrate products and it is mainly concentrated in China, where the tungsten concentrate smelting capacity has far exceeded the tungsten concentrate production capacity. Furthermore, given that the PRC government has reduced mining targets for domestic tungsten mining companies and imposed tightened environmental requirements for mining companies, and taking into account the short supply of tungsten concentrates globally, we plan to take advantage of our abundant tungsten resources to find specific potential customers by establishing our market position in the tungsten products as well as finding potential customer group through resources provided by the local tungsten industry association. As a result, we believe that we can keep in touch with several tungsten concentrate smelting companies in China, indicating a strong desire to buy tungsten concentrate from us once we commence production and potentially reach an exclusive supply deal. We sell our tungsten concentrate to buyers in China mainly through the direct sales model. After we commence the production of APT and WC in the future, we may also sell our products to Europe and other overseas markets. As we are not subject to the EU anti-dumping duties, we believe that we will have a comparative advantage in market competition for APT and WC. We plan to adopt both the direct sales and the distribution models in these markets in order to establish and maintain customers while continue to expand customer resources.

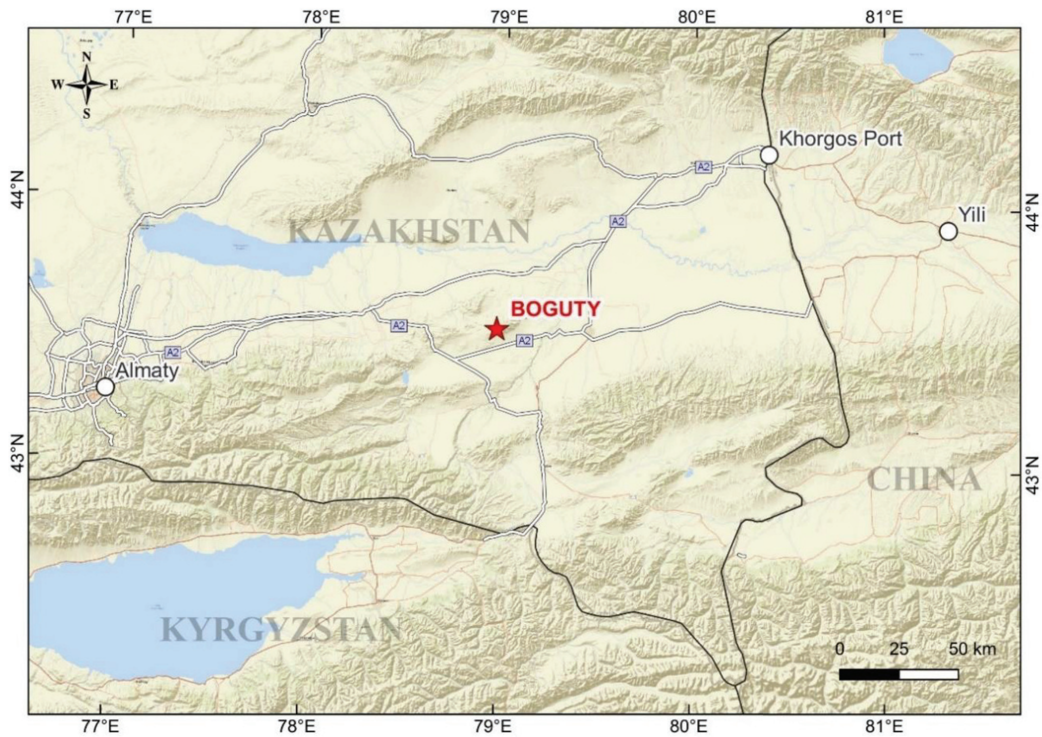
Product returns and warranty

After the tungsten concentrate is transported to the warehouse designated by our customers or other location agreed upon by both parties, our customers are allowed to carry out inspection on the tungsten concentrate in accordance with the quality standards agreed in the sales agreement. During the Track Record Period and up to the Latest Practicable Date, we had not incurred any expenses as a result of return of our tungsten concentrate or warranty claims or received any material complaint or product liability claim from any customer.

We plan to set up a sales and marketing department responsible for carrying out sales and marketing activities. Initially the sales and marketing department is expected to comprise sales personnel in both China and Kazakhstan. We may adjust the department structure to cater to our operational needs. The sales and marketing department will primarily be responsible for (i) establishing complete customer records and handling after-sales quality complaints, product return/exchange and customer feedbacks in accordance with the established management measures for product sales and customer satisfaction survey and evaluation system; (ii) timely providing customer feedback to the technical, production and quality control departments to improve product quality and performance; and (iii) improving the relevant sales and marketing system and workflow based on work progress.

TRANSPORTATION

The Boguty tungsten mine lies 180 km east of Almaty, the largest city in Kazakhstan, and it takes approximately 2.5 hours to drive from Almaty to the Boguty tungsten mine via the A2 highway, a national highway in Kazakhstan. The Boguty tungsten mine is located 160 km west of the Khorgos crossing with China, which can also be accessed via the A2 highway located on the north side of the mine area. A railway connecting Khorgos and Almaty is located approximately 20 km north of the Boguty tungsten mine area. The Boguty tungsten mine is also adjacent and has been connected to the 352 interstate highway located on the south side of the mine area by an access road built by us. Such road is flat and open all year round as there is no tunnel, river with large water flow or bridge on it. We believe this would allow a seamless process for transporting raw material or equipment to the Boguty tungsten mine as well as for selling the tungsten products to our customers in the future. We have not experienced any difficulties in establishing connections to these crucial transportation routes for the Boguty Project and we have successfully delivered our products to the customer during the Track Record Period. The closest international airport to the Boguty tungsten mine is located in Almaty, with regular flights to regional and key cities in Kazakhstan and overseas. The following map shows the main transportation and access for the Boguty tungsten mine:



Source: Independent Technical Report

We source and procure most equipment and materials from China through the Khorgos Port, which is the same route for the export of our tungsten products to customers in China. Export of tungsten products to other overseas markets are expected to be achieved by the Trans-Caspian International Transport Route (TCITR), an international logistics infrastructure corridor which starts in China and extends through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, Turkey and on to Europe. The nearest rail station on TCITR to the Boguty tungsten mine is the Altynkol station in the Kazakhstan side of Khorgos Port with a distance of approximately 160 km.

As of the Latest Practicable Date, the main access road to the Boguty tungsten mine had been constructed and branched from the A2 all-weather highway. The road is 9 m wide, paved with graded rock fragments, from bottom to top 22 cm mixed gravels basement, 25 cm graded gravels and 3-4 cm wearing coarse.

UTILITIES AND RAW MATERIALS

Water Supply

We require water for the constructions and operations of the Boguty Project. According to the Independent Technical Report, the Boguty tungsten mine area is in proximity to the Charyn River that is located 22 km southeast of the mine area. The Charyn River is our primary source of water for the Boguty Project and we have been abstracting river water from it in accordance with a water use permit issued by the relevant competent authority. We had abstracted water from the Charyn River through transportation provided by CCECC during the construction stage of our Boguty Project. As of the Latest Practicable Date, we had completed the construction of our water pipelines connecting to the Charyn River and we had started to abstract water through our water pipelines when our Boguty Project commenced commercial production. As advised by Frost & Sullivan, it is common for a mining company to construct specific water supply systems depending on the actual environment surrounding a mine and accordingly, there is no set market price for water use in the mining industry. During the Track Record Period and up to the Latest Practicable Date, we did not experience any water supply shortage that resulted in a material interruption of our operations. We believe that our water supply system will continue to be stable and sufficient for our planned scope of operation.

Electricity Supply

The Shelek Central Substation, a regional power station with 120 MW capacity, is located 119 km from the mine area. A 110 kV overhead transmission line distributes power from the Shelek Central Substation to the Chundzha Substation, which is south of the the mine area. We have obtained permission from the relevant competent authority to connect and supply power to the mine area at market rates by installing a new 7 km overhead power line branching from the existing 110 kV transmission line. In September 2023, we completed the construction of our own substation to adjust the AC voltage level as suitable for our operations. During the Track Record Period and up to the Latest Practicable Date, our operations had not been materially interrupted by any shortage of electricity.

Raw materials

The raw materials for our production are mainly consumables used in our production process which include water glass, sodium carbonate, collector and steel ball. During the Track Record Period, raw material prices have remained relatively stable. In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, our purchases of raw materials amounted to nil, nil, HK$5.4 million, HK$5.4 million and HK$48.1 million, respectively. During the Track Record Period and up to the Latest Practicable Date, we did not encounter any significant delay or shortage in the supply of raw materials. As part of our quality control on some of the consumables such as steel balls and filter cloth we purchase, we examine these consumables when they are delivered and would return any consumables which are below standard.

To maintain our relationship with our customers, we do not expect to increase the price of our product due to increase of raw material price if such increase does not materially affect our profit margin. To minimize our exposure to fluctuation of raw material price and to avoid shortage or delay in the supply of raw materials, we plan to implement the following measures:

- we will negotiate with our suppliers and request for discounts on the raw materials;
- we will maintain at least two suppliers for each of the raw materials to prevent over-reliance on any particular supplier so that we will be able to source the raw material from the supplier which can offer the lowest price; and
- we will review and monitor our raw materials inventory level on a periodical basis to maintain an appropriate level of inventory. This will allow us to determine the quantity of raw material we should procure taking into account our inventory level and the price of such raw material.

OUR SUPPLIERS AND CONTRACTORS

During the Track Record Period, we primarily focused on preparing the Boguty Project for commercial production and our suppliers mainly included suppliers for construction, engineering and transportation services, while after commencing production, our suppliers mainly included suppliers for water glass, sodium carbonate and collector. We consider several factors in the evaluation and selection process of our suppliers and contractors, such as their background, reputation, industry experience, the enforcement status of their anti-commercial bribery policies and the quality and prices of their goods or services. We typically select our suppliers by open tenders in accordance with the relevant Kazakhstan laws and regulations and the SSU Code. In particular, the public tender procedure only applies to suppliers and contractors who are to be engaged for works and services within the scope of the SSU Contract (*e.g.*, it does not cover the construction works for the processing plant). For each open tender, we usually publish an announcement on the tender together with a list of goods, work or services we need and technical requirements for the potential suppliers and enter into an agreement with the supplier with the winning proposal. During the Track Record Period, all of our suppliers and contractors were engaged through the public tender process as required under relevant Kazakhstan laws and regulations and the SSU Code where such requirements were applicable.

To ensure an efficient and smooth process of our construction, we have adopted the EPC model and engaged CCECC (including its local branch in Kazakhstan) as our EPC contractor for construction activities through an open tender based on evaluation and selection procedures conducted by a committee comprising of four experts selected by a third party and a representative from our Company. Under the EPC contract, CCECC shall be responsible for equipment procurement during the construction period and CCECC shall procure equipment from a list of suppliers designated by us and through open tenders. To ensure the quality of the equipment constructed, CCECC is also required to supervise the entire process of equipment procurement, manufacturing and delivery. CCECC is responsible for completing our construction project (including the construction of the beneficiation plants, tailings ponds and necessary mining infrastructure, such as the ancillary and utilities systems, transportation and administrative facilities) in accordance with quality standards in both Kazakhstan and China. CCECC may engage subcontractors for certain aspects of the project. The selection of any subcontractors must be reviewed and approved by us, and we consider various key factors in such selection process, including but not limited to their licenses and qualifications, track record and industry experience. The term of the EPC contract was expected to be 730 days, starting from August 1, 2021. However, CCECC experienced certain delays in their construction activities due to various factors, such as the travel and cross-border transportation restrictions in connection with the COVID-19 pandemic, and had not completed the constructions in accordance with the term of the EPC contract. In light of such delay, we entered into two supplemental agreements with CCECC on July 20, 2023 and December 31, 2023, respectively, and amended the expected construction completion time from July 31, 2023 in the original EPC contract to September 30, 2024. The total contract sum payable by us to CCECC under the EPC contract is RMB1,091.6 million, including two advance payments totaling 15% of the contract sum and subsequent monthly payment installments according to the actual progress of constructions completed in each period.

Our Directors confirmed that we did not experience any material quality or safety issues with our contractors or subcontractors during the Track Record Period and up to the Latest Practicable Date. For risks related to our contractors and subcontractors, please refer to "Risk Factors—Risks Relating to Our Business—We rely on contractors for constructions and future mining operation."

On October 17, 2024, we have entered into a mining services procurement agreement with a local subsidiary of CCECC in Kazakhstan (the "**Mining Services Procurement Agreement**"), pursuant to which Subsidiary ZV will procure stripping and mining work in the open pit mining from CCECC's subsidiary in Kazakhstan in the production phase of the Boguty Project. For more details of principal terms of the Mining Services Procurement Agreement, please refer to "Connected Transactions—Mining Services Procurement Agreement."

In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, purchases from our five largest suppliers amounted to HK$214.0 million, HK$745.7 million, HK$589.0 million and HK$178.6 million, respectively, accounting for 94.2%, 97.7%, 95.8% and 82.8% of our total purchases, respectively. Purchases from our largest supplier for the same periods, CCECC, amounted to HK$202.6 million, HK$727.1 million, HK$575.8 million and HK$69.7 million, respectively, representing 89.2%, 95.2%, 93.6% and 39.0% of our total purchases, respectively. The following tables set forth a breakdown of our purchases from our five largest suppliers during the Track Record Period and their respective background information:

Five Largest Suppliers in 2022	Purchase amount	Percentage of total purchases	Background and principal business[1]	Major products/ services purchased	Business relationship since	Location	Credit terms	Payment method
	HK$'000	*%*						
CCECC[2]	202,574.6	89.2	A state-owned company engaged in project contracting, civil engineering design and consultancy, industrial park construction, development and operation, real estate development and property management, investment, railway operation, industrial mining, import and export, hotel management and travel services, with a registered capital of RMB3.0 billion	Construction Service	2020	Global	1. 15% prepayment before commencement of the work; 2. 7% long term accounts payable; 3. Payment within 14 days of receipt of invoice issued each month.	Wire Transfer
Supplier A	6,177.0	2.7	A state-owned company engaged in project integration, new energy industry and resource development, with a registered capital of RMB2.0 billion	Engineering Design Service	2019	Global	1. 15% prepayment within 5 days after the contract becomes effective; 2. 15% payment within 5 days after the submission of preliminary design documents; 3. 15% payment within 7 days after the submission of the national examination document; 4. 10% payment within 7 days after the approval of the national examination document; 5. 10% payment when submitting construction drawings of primary crushing station and raw ore long-distance conveying belt; 6. 10% payment when submitting the civil construction drawings of the main plant; 7. 10% payment after submitting construction drawings of tailings dam; 8. 10% payment when submitting all construction drawings; 9. 5% payment after completion and acceptance.	Wire Transfer

Five Largest Suppliers in 2022	Purchase amount	Percentage of total purchases	Background and principal business[1]	Major products/ services purchased	Business relationship since	Location	Credit terms	Payment method
	HK$'000	*%*						
Supplier B	2,698.7	1.2	A private company engaged in provision of engineering, technical supervision, design and construction work services	Engineering Supervision Service	2021	Kazakhstan	1. 30% prepayment within 15 days after signing the agreement; 2. 65% payment for work done each month; 3. 5% payment after completing all work.	Wire Transfer
Supplier C	1,435.0	0.6	A state-owned company engaged in provision of insurance and other services for foreign trade and foreign investment cooperations, including medium and long term export credit insurance, overseas investment insurance, short-term export credit insurance, domestic credit insurance and other export credit insurance services, with a registered capital of RMB27.2 billion	Overseas debt Investment Insurance	2022	China	Full payment within 30 days from the date of service of the premium notice.	Wire Transfer
Supplier D	1,163.2	0.5	A private company engaged in retail sales of motor vehicles	Loader and Tractor Mower	2021	Kazakhstan	Full prepayment within 3 calendar days from the date of invoice.	Wire Transfer
Total	**214,048.4**	**94.2**						

Five Largest Suppliers in 2023	Purchase amount	Percentage of total purchases	Background and principal business[1]	Major products/ services purchased	Business relationship since	Location	Credit terms	Payment method
	HK$'000	*%*						
CCECC[2]	727,129	95.2	A state-owned company engaged in project contracting, civil engineering design and consultancy, industrial park construction, development and operation, real estate development and property management, investment, railway operation, industrial mining, import and export, hotel management and travel services, with a registered capital of RMB3.0 billion	Construction Service	2020	Global	1. 15% prepayment before commencement of the work; 2. 7% long term accounts payable; 3. Payment within 14 days of receipt of invoice issued each month.	Wire Transfer
Supplier A	7,966	1.0	A state-owned company engaged in project integration, new energy industry and resource development, with a registered capital of RMB2.0 billion	Engineering Design Service	2019	Global	1. 20% payment within 7 days after projectors arrive at the site; 2. 20% payment when projectors arrive for six months and 30% of the work is completed; 3. 25% payment when projectors arrive for one year and another 30% of the work is completed; 4. 25% payment when projectors arrive for one and a half years and another 30% of the work is completed; 5. 10% payment after completion of remaining 10% of the work and completion and acceptance of the project[3].	Wire Transfer

Five Largest Suppliers in 2023	Purchase amount	Percentage of total purchases	Background and principal business[1]	Major products/ services purchased	Business relationship since	Location	Credit terms	Payment method
	HK$'000	%						
Supplier B	5,175	0.7	A private company engaged in provision of engineering, technical supervision, design and construction work services	Engineering Supervision Service	2021	Kazakhstan	1. 30% prepayment within 15 days after signing the agreement; 2. 65% payment for work done each month; 3. 5% payment after completing all work.	Wire Transfer
Supplier C	3,214	0.4	A state-owned company engaged in provision of insurance and other services for foreign trade and foreign investment cooperations, including medium and long term export credit insurance, overseas investment insurance, short-term export credit insurance, domestic credit insurance and other export credit insurance services, with a registered capital of RMB27.2 billion	Overseas Debt Investment Insurance	2022	China	Full payment within 30 days from the date of service of the premium notice.	Wire Transfer

Five Largest Suppliers in 2023	Purchase amount	Percentage of total purchases	Background and principal business[1]	Major products/ services purchased	Business relationship since	Location	Credit terms	Payment method
	HK$'000	*%*						
Supplier E	2,192	0.3	A private company engaged in provision of services to facilitate mineral extractions	Drilling Services	2023	Kazakhstan	1. 30% prepayment under full service costs within 5 days after signing of the agreement; 2. 65% payment for work done each month; 3. 5% remaining payment after completion of all work.	Wire Transfer
Total	**745,676**	**97.7**						

Five Largest Suppliers in 2024	Purchase amount	Percentage of total purchases	Background and principal business[1]	Major products/ services purchased	Business relationship since	Location	Credit terms	Payment method
	HK$'000	*%*						
CCECC[2]	575,754	93.6	A state-owned company engaged in project contracting, civil engineering design and consultancy, industrial park construction, development and operation, real estate development and property management, investment, railway operation, industrial mining, import and export, hotel management and travel services, with a registered capital of RMB3.0 billion	Construction Service	2020	Global	1. 15% prepayment before commencement of the work; 2. 7% long term accounts payable; 3. Payment within 14 days of receipt of invoice issued each month.	Wire Transfer

Five Largest Suppliers in 2024	Purchase amount	Percentage of total purchases	Background and principal business[1]	Major products/ services purchased	Business relationship since	Location	Credit terms	Payment method
	HK$'000	*%*						
Supplier F	4,491	0.7	A state-owned company engaged in strategic planning, investment planning, planning and design and engineering management	Engineering services	2021	China	1. 30% payment as first payment; 2. 70% payment for work done each month; 3. additional amount (5% payment) within 30 days after completion of project settlement.	Wire Transfer
Supplier B	4,008	0.7	A private company engaged in provision of engineering, technical supervision, design and construction work services	Engineering Supervision Service	2021	Kazakhstan	1. 30% payment within 15 days after signing of the service agreement; 2. 65% payment for work done each month; 3. remaining 5% payment after completion of all work.	Wire Transfer
Supplier G	2,531	0.4	An energy supply organizations in Kazakhstan that supplies electricity to residents and enterprises and operates in both the wholesale and retail electricity markets	Engineering Supervision Service	2021	Kazakhstan	1. 30% payment within 5 days after the date of notice to commence work; 2. 70% payment to be made as the design supervision progresses and is put into operation.	Wire Transfer
Jiangxi Copper Corporation	2,243	0.4	A state-owned copper producer in China engaged in the exploration, mining, dressing, smelting, and processing of copper and other non-ferrous metals	Raw material supply	2020	China	1. 80% payment within 30 days after signing of agreement; 2. 20% payment within 30 days after delivery and acceptance of goods.	Wire Transfer
Total	**589,027**	**95.8**						

Five Largest Suppliers in the six months ended June 30, 2025	Purchase amount	Percentage of total purchases	Background and principal business[1]	Major products/ services purchased	Business relationship since	Location	Credit terms	Payment method
	HK$'000	%						
CCECC	102,174	71.5%	A state-owned company engaged in project contracting, civil engineering design and consultancy, industrial park construction, development and operation, real estate development and property management, investment, railway operation, industrial mining, import and export, hotel management and travel services, with a registered capital of RMB3.0 billion	Construction Service	2020	Global	1. 15% prepayment before commencement of the work; 2. 7% long term accounts payable; 3. Payment within 14 days of receipt of invoice issued each month.	Wire Transfer
Jiangxi Copper Corporation	14,640	10.2%	A state-owned copper producer in China engaged in the exploration, mining, dressing, smelting, and processing of copper and other non-ferrous metals	Raw material supply	2020	China	1. Within six months after acceptance of goods and receipt of invoice.	Wire Transfer
Supplier H	11,519	8.1%	A company in Kazakhstan engaged in the production and sales of liquid water glass	Raw material supply	2024	Kazakhstan	1. 70% payment within 10 days after signing of agreement; 2. 30% payment on 25th of every month.	Wire Transfer
Supplier I	3,650	2.6%	A company in China engaged in manufacturing, sales and installation of metallurgical and mining equipment and accessories	Raw material supply	2024	China	1. 30% payment within 20 days after delivery; 2. 70% payment within 30 days after acceptance of goods and receipt of invoice.	Wire Transfer
Supplier J	3,014	2.1%	A company in Kazakhstan engaged in the sales and supply of electricity	Energy Supply	2021	Kazakhstan	1. 30% under full service costs during 5 days, after the date of issuing the notice to commence work; 2. 70% payments after the design supervision progresses and is put into operation.	Wire Transfer
Total	**134,997**	**94.5%**						

Notes:

1. The information of registered capital of private companies in Kazakhstan is not publicly available.
2. The transaction amounts of CCECC and its local branch in Kazakhstan are combined on a group basis.
3. The transaction in 2023 and 2024 mainly derives from the contract entered into between Supplier A and Subsidiary ZV while transaction in 2022 derives from the contract entered into between Supplier A and our Company.

Save for CCECC and Jiangxi Copper Corporation, all of our five largest suppliers in each year or period during the Track Record Period were Independent Third Parties. Save for CCECC and Jiangxi Copper Corporation, none of our Directors or their associates, and none of our existing Shareholders who (to the knowledge of our Directors) own more than five percent of our issued share capital, had any interest in any of our five largest suppliers in each year or period during the Track Record Period. See "History and Corporate Structure—Pre-IPO Investments" for details of the background of CCECC.

INVENTORY MANAGEMENT

Since we only commenced phase I commercial production in April 2025, we had not maintained any material inventory during the Track Record Period. Our inventory primarily comprises ore extracted from our mining pits, crushed pre-concentrate and the final tungsten ore concentrates. We target to maintain inventory levels in line with the fluctuations of market tungsten prices. As of the Latest Practicable Date, we had built a warehouse within our processing plant for storage of raw materials required for the production process and our finished products. We have established inventory management guidelines for our inventory management and stocktaking.

QUALITY CONTROL

We have implemented internal procurement management policies to ensure the quality of our construction projects and the equipment procured, including arranging staff for onsite supervision of equipment under development. We will continue to monitor their conditions and typically suppliers are expected to provide a guarantee for the equipment for two years after delivery and acceptance. We have also established quality control policies and measures for our production of tungsten products, which are designed and implemented by the departments of operation and production. We plan to strictly control and monitor major steps of the production process to ensure that our products meet customers' requirements.

MARKET AND COMPETITION

As advised by Frost & Sullivan, Kazakhstan is rich in mineral resources with Boguty tungsten mine being the world's largest open-pit tungsten mine in terms of Mineral Resources of WO_3 as of December 31, 2024. We expect to primarily compete with tungsten producers in the PRC. According to Frost & Sullivan, the major factors of competition in the tungsten ore mining industry include abundance and quality of mineral reserves, costs of operation, accessibility to infrastructure, access to capital and the ability to carry out downstream processing to offer higher value-added products. We believe that our advantages, such as abundance in our tungsten Resources, low production costs, experienced management team and our proximity to potential customers in the PRC, will allow us to stay competitive in the tungsten ore mining industry. In particular, our Boguty tungsten mine was the world's fourth largest tungsten mine as of December 31, 2024 in terms of Mineral Resources of WO_3, having the world's largest designed tungsten concentrate production capacity among single tungsten mines, according to Frost & Sullivan. Although the recycling and reusing of tungsten waste are on the rise, such trend is not expected to have a material impact on the tungsten industry in the short term due to limited raw materials and the complexity of the recycling process. At present, recycled and reused tungsten waste only accounts for a small portion (approximately 25%) of tungsten production while the majority of tungsten products is still produced from tungsten mining. Furthermore, according to Frost & Sullivan, recycling of tungsten is still in the early stage of development and is considered not to affect the substitute tungsten from mining. One of the main challenges in tungsten recycling is the low recovery rate of the metal. Tungsten is often alloyed with other metals, such as nickel or iron, which makes it difficult to separate the tungsten from the alloy during the recycling process. This difficulty results in a low recovery rate, leading to certain amount of tungsten being lost during the recycling process. Meanwhile, according to Frost & Sullivan, the export price of tungsten waste in China was around RMB38.7 thousand/MT in 2024, while the price of tungsten concentrate in China was around RMB20.2 thousand/MT in 2024. Tungsten concentrate from mining has maintained competitiveness on price than tungsten waste. We believe our abundant tungsten resources will allow us to gain significant market advantages in this industry. In addition, we also plan to improve our mining efficiency and reduce costs through technological innovation in our mining and processing workflow, optimizing resource allocation and enhancing our cost control, thus improving our competitiveness in terms of price and quality. Furthermore, we may expand our operations against a down market to take advantage of the lower costs typically observed in such market and continue to strengthen our market position. We will also pay close attention to risk management, including identifying and managing potential risks commonly seen in the mining industry (such as metal price fluctuations, safety incidents and geopolitical risks), to ensure a smooth operation in the future.

For further details, please refer to "—Competitive Strengths" and "Industry Overview."

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

We strive to improve our environmental, social and governance ("ESG") strategies to create an efficient and diversified production environment.

Our ESG Policies and Working Group

We operate our business in a responsible and sustainable manner, and we are committed to maintaining transparency and accountability to our shareholders and stakeholders, including employees, communities around our mine, customers, professional organizations, non-governmental organizations (NGOs) and competent authorities. We believe that our business operations should not damage the environment and abide strictly by the national and local environmental protection regulations of Kazakhstan when dealing with construction wastes, hazardous wastes, water pollutants and exhaust gas emissions at our construction sites. We also aim to keep abreast of changes in government policies and liaise with local government agencies to ensure our compliance with relevant laws and regulations. To manage sustainability efforts more effectively, we review our ESG frameworks on a regular basis, and have formulated and revised ESG policies for the development stage of our Boguty Project.

During the Track Record Period, we primarily focused on the development of our Boguty Project and our ESG working group was led by our safety and environmental protection department. We aim to minimize our impact on the environment and natural resources in our operations, and monitor and manage our use of resources, including energy, water and construction materials at construction sites. We aim to ensure that wastes are handled in compliance with applicable laws and regulations and provide a safe, diverse and inclusive workplace for employees. In addition, we provide regular training, as well as fair and competitive remuneration for employees.

Our established ESG policies mainly include the mine site environmental and ecological policy, mine land reclamation plan, human resources policy, health and safety policy, construction management policy, site safety appraisal policy and business ethics policies and rules, which provide important guidance for our sustainability practices, allow us to oversee the implementation of ESG measures and demonstrate our commitment to business integrity, talent development, environmental protection and community development.

To implement our ESG policies more effectively, we have set up an ESG committee, which comprises our Board, management and relevant departments. An ESG working group has been established under the ESG committee. Our Board/ESG committee members possess rich professional management capabilities in safety, environmental protection, occupational health and other areas. We also have comprehensive management capabilities and a strong sense of responsibility in fulfilling social responsibilities, operating in accordance with laws and regulations and managing community relations. The ESG committee regularly convenes meetings according to the working rules to discuss ESG-related matters and receive reports from the ESG working group, and submits monthly written reports to the Board covering ESG-specific work. Additionally, our Directors promptly make resolutions on ESG issues raised by the management, formulate annual work plans and assign relevant indicators.

Our Board reviews and approves the strategies, objectives and major policies and frameworks of our ESG work in China and Kazakhstan. In addition, our Board regularly debriefs the ESG working group on the risks and opportunities relating to sustainability and reviews their impact on our business strategies. Our Board also reviews the impact of climate change and biodiversity loss on our business. Additionally, our management conducts monthly inspections of the factory premises focusing on key aspects such as safety, environmental protection and occupational health (with more systematic and larger-scale inspections organized semi-annually and annually). Any issues related to inadequate compliance with safety production regulations, environmental laws and regulations, occupational health standards or other relevant requirements identified during the inspection process shall be rectified promptly.

Our ESG working group is responsible for (i) dealing with all ESG-related matters; (ii) overseeing and assessing any ESG-related risks that we may face in China and Kazakhstan; (iii) fostering a corporate culture of safety and strictly implementing the occupational health and safety system to ensure that all health and safety factors are taken into account; (iv) identifying and assessing climate-related risks and opportunities that have a material impact on us; (v) developing strategies of responding to climate change, setting targets of reducing greenhouse gas (GHG) emissions and guiding implementation efforts; (vi) meeting periodically to discuss and determine ESG-related issues that our management team needs to address; (vii) reporting to our Board on ESG-related risks, opportunities and performance; and (viii) advising our Board on ESG reports, strategies, initiatives and objectives. We have also engaged independent third-party advisors as our ESG advisor (the "ESG Advisor") to assess our ESG risks and provide professional advices to our Board when necessary.

We integrate our Group's business development, industry characteristics and national policies with the expectations of stakeholders in identification, assessment and selection of material ESG topics. We engage independent third-party consultants to assist in reviewing and inspecting the list of material topics. Through stakeholder surveys and industry analysis, we determine our Group's material issues and focus on them during our business development process. The most important ESG topics we have identified include adaptation to climate change, environmental compliance, ecological protection, labor management, occupational health and safety, business ethics and anti-corruption.

Identification and Assessment of ESG-related Risks

Based on the identified material ESG issues, we systematically assess ESG risks related to our operations. Our ESG risks mainly involve: (i) environmental risks, including physical and transition risks from the climate change, risk of environmental violations due to non-compliant disposal of pollutants and ecological damage risks from mining operations; (ii) social risks, such as health and safety hazards for miners during tungsten mining operations; and (iii) governance risks, such as corruption risks resulting from non-compliant actions by employees and suppliers, leading to damage to company interests and brand image. We strictly adopt corresponding occupational health and safety production measures in accordance with regulatory requirements during operation. Moreover, we organize safety inspections at least once a month and promptly rectify any issues discovered to effectively safeguard the occupational health and safety of our employees. Based on the industry experience, the main cause of tungsten poisoning is long-term exposure of miners to tungsten gas or dust generated during the production process. However, our project does not involve production processes that may generate tungsten gas or dust, such as high temperature, high pressure, and chemical reactions. In addition, the environmental impact assessment report of the Boguty Project also indicates that there is no occupational health risk that may lead to tungsten poisoning during operation. Therefore, based on the production process and the safety measures we have taken, the miners involved in the Boguty Project will not be exposed to the risk of tungsten poisoning. To further understand the impact of these risks on our ESG development, we describe the risk content and employ quantifiable risk indicators for further detection and control, including:

Risk Type	Risk Description	Quantifiable Risk Indicators
Environmental Risks		
Climate Change	With increasing global attention on climate change, we are facing more climate-related risks, including physical risks and transition risks. For details on these risks and the corresponding mitigation measures, please refer to the "—Identification, Assessment and Management of Climate-related Risks and Opportunities—Climate-related risks" below.	For our GHG emissions, please refer to the "Environmental Protection—Use of resources and GHG emissions—Our resource usage and emissions—GHG Emissions—Key performance indicators."
Environmental Violations	There are emissions of environmental pollutants such as exhaust gas, wastewater and solid waste in our production process, and their emissions are regulated by the local environmental protection authorities. Improper environmental management may lead to environmental compliance risks. We establish emission reduction targets and strictly adhere to environmental laws and regulations for the collection, treatment and disposal of pollutants.	For our environmental pollutant emissions, please refer to the "Environmental Pollutants—Environmental pollutant management—Key performance indicators."

Risk Type	Risk Description	Quantifiable Risk Indicators
Ecological Damage	Our business primarily involves tungsten mining, which can have negative impacts on water resources, soil environment and surrounding ecological vegetation. There is a risk of causing ecological imbalance. We will mitigate this risk through ecological restoration projects at the mine, including measures such as clearing waste rock piles and planting trees and grass to protect the biodiversity and ensure the stability of the ecosystem.	The area for ecological restoration will be disclosed once mining operations conclude and the mine rehabilitation phase begins in the future.
Social Risks		
Health and Safety	During our tungsten mining operations, various activities such as rock drilling, blasting, tunneling, mining, loading, unloading and transportation may pose negative impacts on the health and safety of our employees, potentially leading to safety accidents. Therefore, we have implemented internal policies for emergency response in safety and security aspects. We conduct regular inspections to identify safety hazards, classify and control these hazards and provide safety-related training and drills.	• We had no employee fatalities due to work-related incident during the Track Record Period and up to the Latest Practicable Date. • We had not lost any workdays due to work-related injuries for employees during the Track Record Period and up to the Latest Practicable Date.

Risk Type	Risk Description	Quantifiable Risk Indicators
Governance Risks		
Bribery and Corruption	We are fully aware that employees, suppliers and others failing to adhere to business ethics or causing losses to us may harm our brand image. Therefore, we strictly prohibit employees from accepting or soliciting bribes from stakeholders and customers in any form. Additionally, we require suppliers to make anti-bribery commitments to further ensure that our business operations comply with business ethics.	• We had no corruption incidents during the Track Record Period and up to the Latest Practicable Date.

Identification, Assessment and Management of Climate-related Risks and Opportunities

Climate change is a major global challenge and one of the key factors that will affect our sustainability agenda. To minimize its impact, we take an active part in global climate governance, seek new measures for managing climate change impact and make climate action a pillar of our ESG efforts. Based on the recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD), we have initially identified climate-related risks considering our business characteristics, and expect to regularly monitor, assess, and analyze such risks. In response to the climate-related risks and opportunities identified, we have also prepared target initiatives for our operations. Furthermore, we plan to regularly disclose our response initiatives and future development plans after the Listing, and take on our corporate environmental responsibility to mitigate the adverse impacts of climate change.

Climate-related risks

We have assessed our environmental impact of our Boguty Project in Kazakhstan and strived to minimize and avoid the adverse environmental impacts throughout the project in strict accordance with the applicable environmental protection laws and regulations. We have identified the following climate-related physical risks and transition risks and their potential impact on our business and financial performance in the short (1 to 3 years), medium (3 to 5 years) and long (5 to 10 years) terms.

Categories		**Time scale**	**Climate-related risk**	**Potential impact**	**Potential financial impact**
Physical risks	Acute physical risks	Short and medium terms	Frequent occurrence of extreme weather events such as strong winds, blizzards, hailstorms, droughts and dust storms	• Impacts on workforce management and planning (e.g., employee safety problems leading to absenteeism) and reduced operational efficiency.	Medium
	Chronic physical risks	Long term Long term	Global warming exacerbates Average temperature rises	• Extreme heat increases the demand for water and energy, ultimately leading to an unstable water supply; • strong winds cause damage to machinery and lead to additional costs such as maintenance costs; and • disruption of roads due to landslides, leading to a reduction in the efficiency of the transportation and operational process.	High

Categories		Time scale	Climate-related risk	Potential impact	Potential financial impact
Transition risks	Policy and legal	Short term	Increased pricing of GHG emissions	• Increased compliance costs	Medium
		Short term	Strengthened obligations for emissions disclosure		
		Medium and long terms	More rigorous regulations of pollutant emissions		
	Technology	Medium and long terms	R&D and investment in low carbon transition technologies	• Outdated business-related low carbon technologies that lead to declined competitiveness, affecting our market share; and • increased costs of adopting new technologies and processes.	High
	Market	Medium and long terms	Increased concern or negative feedback from stakeholders	• Negative impacts of talent management and planning (*e.g.*, talent loss) leading to a decline in our profitability; and • shareholders' preference for green and low carbon may lead them to abandon investment in related businesses.	High

As the climate change intensifies, we are increasingly prioritizing responses to climate-related risks. Based on our current financial impact assessment, we plan to further review our historical and anticipated future compliance costs related to climate change as we continue to develop the Boguty Project. We will scientifically allocate resources for climate-related investments to mitigate the negative impacts of climate change. Simultaneously, we aim to seize opportunities for climate transition and pursue a path of green and low-carbon development. Based on the above identified climate change risks, we have developed the following responses to mitigate or prevent adverse impacts of climate change.

Responses to physical risks

Increased health and safety risks	• Pay close attention to weather forecasts and take measures in advance to cope with extreme weather; • formulate emergency plans and reserve emergency supplies in advance; • conduct regular safety training and emergency drills to improve employees' ability to prevent and handle accidents; and • adopt measures to prevent heatstroke and adjust the working hours of employees timely.
Increased water stress	Increase the proportion of water recycled to avoid the impact of extreme weather on water supply and water-consuming equipment.
Mechanical damage	• Formulating contingency plans for typhoons and stockpiling sufficient emergency supplies; and • purchase natural disaster insurance for assets such as machinery and equipment, so that we can be compensated for damage caused by extreme weathers.
Landslides caused by heavy precipitation	• Regular safety inspections are carried out and preventive programs are proposed for geologically unstable areas; • interception of rainwater and snowmelt water infiltrating from the surface, and construction of embankments at the locations where water flows converge (low-lying areas) based on the mining work plan; and • installation of hillside drains with a width of 0.6 meters at the bottom and a depth of 0.8 to 1.0 meters.

Responses to transition risks

Increased compliance costs	Pay close attention to the policies of the project location, keep abreast of the relevant regulatory laws and regulations, and strengthen the communication and contact with the responsible regulatory departments.
Energy-intensive processes in mining	Pursue green, low-carbon and energy-saving processes, and continue to explore low-carbon and energy-saving equipment and technologies to ensure long-term profitability.
Stakeholders	Strengthen our sustainable development management, actively respond to stakeholders' questions about our response to climate risks and disclose climate change-related information promptly.

Climate-related opportunities

Beyond the physical and transition risks described above, we recognize that climate change also presents us with business opportunities. In particular, we have identified the following opportunities, which will allow us to improve resource efficiency and use more low-carbon energy to reduce operational emissions, facilitate the low-carbon transition and promote sustainable lifestyles to our stakeholders:

- operating costs may be lowered by using resources wisely, better managing wastewater, exhaust gases and solid waste, saving energy and reducing consumption, and reusing water;

- low-carbon energy produces fewer GHG emissions, which reduces the risk of incurring additional costs associated with higher-carbon energy; and

- efforts to mitigate climate-related risks may improve our recognition and reputation from consumers and markets and help build business resilience, which may in turn increase our profitability, improve competitiveness and enhance business sustainability.

Environmental Protection

We believe that the latest global sustainability trend is to go green and switch to low-carbon energy. As an environmentally responsible company, we have taken various measures to be more environmentally friendly and achieve high-quality and sustainable development.

Environmental compliance

As our mine and main operations are located in the Republic of Kazakhstan, the governing laws include the Environmental Code, Water Code of the Republic of Kazakhstan, the SSU Code and other legal documents, decrees and orders from the Kazakhstani Government. Therefore, we regulate our environmental protection practices and conduct environmental impact assessments in accordance with these laws and regulations. As confirmed by the relevant competent authority, our Kazakhstan Legal Advisors and Directors confirm that we were not subject to any administrative penalties for grave breaches of applicable national or local environmental laws or regulations in Kazakhstan during the Track Record Period. As of the Latest Practicable Date, we had not received any notice or warning, nor had we been subject to any heavy fine or penalty, for violating any such environmental laws or regulations, that would have a material adverse effect on our operations. We believe that our environmental protection system and facilities are up to the standard required by the national and local environmental protection laws and regulations in Kazakhstan. Based solely on (i) legal review of relevant documents provided by us, and (ii) independent public searches through open sources, our Kazakhstan Legal Advisors are also of the view that our environmental protection system and facilities were up to the standard required by the national and local environmental protection laws and regulations in Kazakhstan as of the Latest Practicable Date.

In the future, we will continue to improve our internal management policies on environmental protection and green production, taking into account the requirements of local environmental protection authorities and the progress and condition of our Boguty Project. We anticipate to invest more funds in internal and external audits, disposal of wastewater, exhaust gases and solid waste, and monitoring (including inspection and upgrade of pollution monitoring devices). Compliance costs are expected to rise as we continue to grow our business, but are expected to represent a small portion of our overall operating cost and will not have a significant impact on our financial performance.

Environmental management

Environmental management is of high priority on our agenda, and we have set up a safety and environmental protection department to lead and strengthen our efforts within this area. We have embedded the concept of green production into every aspect of our operations to minimize or prevent adverse impacts of our operations on the environment. In particular, we have prioritized managing wastewater, exhaust gases and solid waste from our Boguty Project to ensure compliance with relevant disposal requirements. We will continue to build a robust environmental protection system with clear division of labor for environmental and business matters, so as to continue to enhance our environmental capabilities and achieve green production.

Use of resources and GHG emissions

Our targets

Based on our business development plan and our ability to reduce emissions, we have set the following targets for energy management, water resource management and GHG emissions:

Emissions and resources	Target
Energy management.	Strengthening energy management, such as business intelligence and paperless office to reduce energy waste and improve energy efficiency.
Water management	We are committed to implementing the concept of water conservation (including application of water-saving processes and technologies) in our daily operations to reduce water waste and improve water efficiency.
GHG emissions	Actively responding to the "carbon peaking and carbon neutrality" goal, strengthening the use of energy-saving and clean technologies, increasing the proportion of electric vehicles, advocating green transportation and reducing GHG emissions.

Energy and resource consumption and GHG emissions have been stabilized as we commenced Phase I commercial production in April 2025. We plan to adjust and refine our targets from time to time and step up energy-saving measures accordingly to minimize waste.

Our resource usage and emissions

Resource usage. We primarily use diesel, gasoline and natural gas in our Boguty Project. We also purchase electricity for use by our motors, equipment and appliances, workshops and general ancillary equipment. Our primary water supply for the Boguty Project is the Charyn River, and we mainly used water for our daily operations and domestic purposes during the construction stage of our Boguty Project. As of the Latest Practicable Date, we had completed the construction of our water pipelines connecting to the Charyn River, and we had started to abstract water through our water pipelines when our Boguty Project commenced commercial production. As the Boguty Project only requires 0.56% of the Charyn River's flow to be fully operational, we do not anticipate any water shortages or difficulties in obtaining water for our operations. We have also obtained approval for our supply system design and corresponding environmental impact assessment from the relevant competent authority. In addition, the finished products are primarily packaged in polypropylene-based plastic bags to prevent them from being damaged during transportation. From January to June 2025, the total packaging material used for finished products was 2,080 tonnes. The following table illustrates our consumption of energy and water in both Kazakhstan and the PRC during the Track Record Period:

Key Performance Indicators[1]		**Unit**	**2022**	**2023**	**2024**	**Six Months Ended June 30, 2025[2]**
Energy consumption						
Non-renewable energy	Gasoline	Liter	32,476	53,255	43,416	16,312
	Diesel	Liter	42,814	117,608	171,226	106,289
	Natural gas	Cubic meter	3.30	5.96	12.55	20.18
Purchased energy	Electricity	Kilowatt-hour	243,227	500,604	4,355,894	36,577,772
Total energy consumption . . .		Thousand kilowatt-hours	978	2,186	6,495	37,808
Water consumption						
Total water consumption . . .		Cubic meter	349,228	349,282	576,118	2,128,929

Notes:

1. Units of gasoline, diesel, natural gas and purchased electricity we used are converted to the same unit using the following formula: total energy consumption = $\sum$ number of energy units used x unit conversion factor. Conversion factors are based on the International Energy Agency's Energy Statistics Manual (Annex 3: Units and Conversion Equivalents).

2. The significant increase in the consumption of purchased electricity and water is due to the Boguty Project has commenced production in 2025.

GHG emissions. As part of our commitment to the environment, we plan to introduce new technologies and energy-saving equipment to our operations. The aim is to cut GHG emissions and combat climate change, eventually helping our industry go green and low carbon. Our GHG emissions include direct emissions from construction machinery, heating boilers and vehicles, and indirect emissions from purchased electricity. The following table illustrates our GHG emissions in both Kazakhstan and the PRC during the Track Record Period:

Key performance indicators	unit	2022	2023	2024	Six Months Ended June 30, 2025[1]
GHG emissions (Scope 1)	Tonnes of carbon dioxide equivalent	188.68	434.20	629.87	322.44
GHG emissions (Scope 2)	Tonnes of carbon dioxide equivalent	219.44	460.43	4,017.85	33,766.39
GHG emissions (Scope 3)	Tonnes of carbon dioxide equivalent	97.44	222.02	909.19	6,437.92
Category 3 – Fuel- and energy-related activities	Tonnes of carbon dioxide equivalent	88.57	192.65	887.37	6,404.31
Category 6 – Airplane business travel	Tonnes of carbon dioxide equivalent	8.87	29.37	21.82	33.61
Total GHG emissions	Tonnes of carbon dioxide equivalent	505.56	1,116.65	5,556.91	40,526.75

Note:

1. The significant increase in the emission of GHG emissions (Scope 2) and Category 3 -Fuel- and energy-related activities for the six months ended June 30, 2025 was due to the commencement of commercial production of the Boguty Project in 2025.

We endeavor to promote green operations, save energy and lower consumption in the plant and office, improve resource utilization and raise environmental awareness among the workforce. In our Boguty Project, we aim to optimize financial performance by strengthening runtime management, reducing downtime, improving equipment efficiency, benchmarking against best practices and lowering unit consumption. Our specific energy conservation measures include (i) positioning transformer and distribution station near the load center to decrease transmission loss; (ii) selecting energy-saving electric motors and transformers to reduce the active and reactive power loss of equipment; (iii) using energy-efficient light sources and lamps for lighting; and (iv) adopting variable-frequency speed-regulation technology and computer control technology to realize control over production and reduce the unit consumption of products.

In addition, we follow the principle of "ensuring safety, standardization management, saving expenses and improving efficiency" in our operations and have formulated guidelines on the administration of official vehicles of Subsidiary ZV to strengthen the usage and supervision of official vehicles. Specific measures include (i) regulating the use of vehicles, going through the insurance-related procedures in accordance with the vehicle management regulations of Kazakhstan, carrying out regular maintenance checks and oil usage inspections, controlling expenditures and cutting down expenses; (ii) reviewing the use of vehicles and accountability for relevant personnel in case of any adverse impact due to irregularities; and (iii) prohibition on use of a vehicle without permission and requiring detailed record for each use (including the approver, mileage, driver and other relevant details).

Environmental pollutants

Our targets

The following table sets forth our targets for emissions of exhaust gas, wastewater and waste to provide guidelines to promote relevant management measures:

Pollutant Emissions	Target
Exhaust gas emissions . .	Based on the local environmental impact assessment report, we have set cumulative emissions from the proposed project to not exceed 432.316 tonnes/year[1] between 2020 and 2029.
Wastewater emissions . .	We expect to achieve zero discharge of production wastewater through recycling and reuse of such wastewater.
Solid waste emissions[2] .	We plan to continue to improve the solid waste classification management and the overall process supervision mechanism to control the source of waste pollution at source and enhance the reuse of waste.

Notes:

1. The Boguty Project sets emission targets for production exhaust emissions based on emission limits specified in the emission permits issued by the local environmental protection department in Kazakhstan. The emission limits for the mining site and beneficiation plant, which emit exhaust gas after the project's commissioning, are 206.220 tonnes/year and 226.096 tonnes/year, respectively, with a total emission limit of 432.316 tonnes/year.

2. The solid waste generated by the Boguty Project mainly consists of overburden waste rock from open-pit mining and tailings from beneficiation. After the project is officially commissioned, the amount of solid waste emissions is expected to gradually increase. Once the project is in stable operation, we plan to establish specific quantitative targets for solid waste management.

Environmental pollutant management

Aware of the impact of emissions on the environment, we aim to strictly control the exhaust gas, wastewater and waste generated from our operational activities, and we employ a series of measures to prevent and control the generation of pollutants throughout the process. The sources, emissions and management initiatives for each type of emissions are listed below:

Exhaust gas management: during the construction phase, the exhaust gas generated by us is primarily the dust produced by vehicles and engineering machinery such as blasting tools. We may produce organized emissions from diffusing towers of diesel storage tanks, gasoline storage tanks and machine repair shops as well as disorganized emissions caused by mining platforms, driving sections at the construction site and ore piles. Major exhaust pollutants include nitrogen oxides (NO_x), sulfur oxides (SO_x) and particulate matter.

The emissions of our exhaust pollutants at our Boguty tungsten mine during the Track Record Period are set forth below:

Key performance indicators	Unit	2022	2023	2024	Six Months Ended June 30, 2025
NO_x[1]	kg	844.57	15,209.02	4,018.16	5,893.07
SO_x[2]	kg	0.96	0.81	1,230.84	687.69
Particles[3]	kg	215,479.74	45,655.47	17,746.82	234,283.21

Notes:

1. It is calculated based on equipment operating parameters.

2. It is mainly produced from diesel burning for domestic use, which we plan to replace with electricity in the future.

3. It is monitored by monitoring stations and has increased in 2025, when the Boguty Project commenced commercial production.

We plan to set up the drill hydraulic spray, hydraulic spray and loading and unloading operation sections for dust collecting materials and ore dump hydraulic spray to control dust, and use sodium sulphide solution to spray the roads. We also plan to install mobile foam generators on the chassis of dump trucks that can be used all year round. When the temperature is above 0 °C, the device can be used to extract wet dust, and when the dust and gas content in the air exceeds the acceptable concentration limit, we will use additional devices for artificial ventilation. In addition, to reduce exhaust pollutants, we plan to perform systematic preventive inspections and maintenance of liquid-fueled internal combustion engines in relevant departments.

During vehicle inspections, we will also take the following measures to reduce air pollutant emissions: (i) utilizing smoke measurement equipment to determine smoke content in exhaust gases; (ii) adjusting the fuel supply and injection system for diesel engines of road machinery and equipment as needed; (iii) ensuring that environmental parameters (such as exhaust gas, noise and vibration of machines, equipment and transport facilities) during the runtime can meet the required standards and the technical specifications of the enterprise and manufacturers; and (iv) using high-quality diesel fuel to fuel machinery and vehicles and minimize engine idling.

Wastewater management: the wastewater generated from our construction and operations include domestic sewage, oily wastewater and production wastewater. The production wastewater generated from the mining site and the dressing plant will flow to the sump pit before being collected and transported by a submersible sewage pump to the return tank in the dressing plant for further collection and reuse. The oily wastewater discharged from the maintenance plant will flow through the indoor ditch to the outdoor grease trap for collection and treatment before being transported by a submersible sewage pump to the car wash station in the mining plant for reuse. Domestic sewage will also be discharged after treatment in accordance with the urban miscellaneous water quality standards GB/T18920-2002 and then used for greening and road sprinkler dust removal systems in nearby areas. In addition, the polluted rainwater in the entire production area will be collected and reused.

Solid waste management: our solid waste primarily includes waste rock, tailings and domestic waste. During the infrastructure construction and production phases, all waste rocks stripped from the mine will be stored in a dump site with an overall GFA of approximately 290 ha. We plan to discharge the waste rocks in stages, *i.e.*, we will first discharge them near the open pit area during the construction phase and then expand the discharge area during the production phase. We plan to build a dam at the final foot slope of the waste rock dump to block rolling rocks and sediment moved by flowing rainwater. We also plan to set up a retaining wall made of waste rocks downstream of the dump site to block rolling rocks from damaging the downstream area. During the normal production life of the Boguty tungsten mine, tailings produced from processing will all be pumped to the tailings ponds for storage and disposal. In addition, domestic waste will be collected after classification. We plan to reduce the amount of domestic waste and assign dedicated personnel to conduct garbage classification. The recyclable waste will be stored in categories and regularly sent out for comprehensive recycling and reuse nearby.

The solid waste discharge from our Boguty Project during the Track Record Period is set forth below:

Key performance indicators	Unit	2022	2023	2024	Six Months Ended June 30, 2025
Hazardous waste[1] . .	ton	0.02	0.63	0.76	25.71
Non-hazardous waste	ton	0.65	144.30	332.35	214.92

Note:

1. Hazardous waste produced from our Boguty Project generally included used oil, waste batteries, waste lamps, containers and rags contaminated with used oil and used personal protective equipment. The significant increase in the production of hazardous waste for the six months ended June 30, 2025 was due to the commencement of commercial production of the Boguty Project in 2025.

In the future, we plan to take the following waste management measures to minimize the adverse impacts of pollutants on the environment: (i) screening and classifying solid household waste for recycling; (ii) setting up a temporary storage place for waste, and determining the removal frequency of waste accumulated in the plant according to the specified limits to ensure that the accumulated waste can be removed in time; (iii) setting up designated open space for storage with a concrete base and perimeter fences on three sides, placing five metal storage boxes for storing various household solid waste and collecting oil-soaked wipes and waste mineral oil; (iv) placing collection containers of discarded vehicle filters near the maintenance workshop, including certain filters that can be cleaned and reused while the rest will be handled by specialized professional organizations; (v) storing waste batteries and paint containers in a separate room of the warehouse; and (vi) providing training on waste disposal standards for operators and assessing their mastery of relevant knowledge.

Ecological Protection

We regard ecological protection as one of the primary tasks in the construction of green mines. Before the initiation of a proposed project, we conduct environmental impact assessments to pre-evaluate the effects of business activities on the ecological environment. We aim to pay attention to multistage ecological restoration of the Boguty tungsten mine and carry out biodiversity protection activities within the mine area.

Biodiversity

The Boguty tungsten mine is located in a relatively remote location, *i.e.*, a semi-desert foothill area with no villages within a radius of 40 km. The boundary of the mining area is 1 km away from the buffer zone of the Charyn Canyon National Park to the east, maintaining a legally mandated safe distance from the reserve with minimal impact on the surrounding ecosystem. In the future, to avoid adverse effects on flora and fauna due to our business operations, we plan to undertake the following measures: (i) setting up a fence that is 3 m tall and composed of steel wire mesh, which shall be fixed on metal pipes with concrete foundations and surround the mining site and production facilities within a radius of 5 km; (ii) protecting the forest ecosystem by taking measures to increase forest coverage, implement forest protection, utilize biological methods to assess the production capacity of forest and fauna, and maintain biodiversity within the forest ecosystem; (iii) enhancing the greenery of the surroundings by expanding the area of green planting, including planting of vegetation in areas such as factory sites, open areas, deserted areas and other ecologically challenged regions; (iv) hiring biologists, zoologists, ornithologists and hunting experts on a contractual basis to monitor the status of flora and fauna; and (v) conducting patrols during growing seasons and evaluate the status of vegetation based on the results of sample chemical analysis, inspecting vegetation conditions every spring and autumn and conducting vegetation pollution detection twice every five years.

If rare animals or those listed in the Red Book of Endangered Animals of Kazakhstan are found at our designated business site, the following measures will be taken: (i) training the staff and establishing clear prohibitions on hunting, carrying weapons and hunting dogs; (ii) relocating the animal nests to suitable locations, establish protected areas and monitor those animals; and (iii) if any staff member is found engaging in illegal activities such as capturing (purchasing), injuring, transporting, buying, selling or transferring animals, they will be held accountable pursuant to the relevant laws and regulations of Kazakhstan, including administrative, criminal and other liabilities.

Land restoration plan

We prioritize ecological and environmental protection and have formulated a land reclamation plan for our Boguty Project in accordance with the SSU Code. As of the Latest Practicable Date, we have not carried out any land reclamation activities. We commit to promoting ecological restoration, reclaiming the damaged lands and restoring the productivity and economic value of the damaged lands upon completion of the mining operations. In accordance with the SSU Contract, we shall reclaim the lands under which the mining has been completed in accordance with relevant laws and regulations, and comply with relevant environmental requirements. In accordance with the SSU Contract, we are required to devote 1% of our annual mining costs to a liquidation fund to fulfill our closure obligations. We have complied and will continue to comply with such requirement in accordance with the SSU Contract. In addition, we plan to use the closure plan developed and updated by an independent third party as a basis to create a detailed closure plan. We estimate that we will have sufficient financial, management and human resources to implement closure and land reclamation plan in the future. According to the Independent Technical Report, it is estimated that 1% of our total mining costs over the LOM is approximately RMB23 million or USD3.3 million. While a detailed mine closure cost plan for all facilities is still not available, the Independent Technical Consultant is of the view that the estimated cumulative fund of USD3.3 million, which is subject to the review of Kazakhstan government, provides a solid foundation for fulfilling our closure obligations. This initial estimate allows for further evaluation and adjustment to ensure comprehensive and effective coverage of all closure needs.

We plan to strictly adhere to Kazakhstan's guidelines for the formulation of land reclamation plans for damaged lands, and commission qualified third parties for reclamation design, which will be updated every three years, including the actual scope of damaged lands and the scope of lands requiring reclamation. We pay reclamation funds as required and regularly deposit these funds into the designated accounts for our future land reclamation expenses. The total estimated cost for our future land reclamation is approximately KZT901 million. We also plan to establish a committee to identify the areas requiring reclamation.

Our primary reclamation tasks include utilizing the damaged lands for production; restoring the productivity and economic value of the lands; and protecting the environment from harmful effects of production. In addition, we divide the land reclamation into three stages, *i.e.*, preparation stage, mining field stage and biological stage, which are summarized below.

Preparation stage . . • Investigate the damaged areas and determine the direction of reclamation.

Mining field stage . . . .

- Use backfill soil to bury the excavated area of the mine.
- Remove road surface.
- Fill in drainage ditches.
- Demolish buildings on land intended for reclaiming.
- Remove mining drainage pipelines, stands and pillars.
- Reduce the slope of areas with excessive slope.
- Lay humus topsoil.

Biological stage . .

- Comprehensive agricultural and improvement work to restore the fertility of the damaged land.
- When sowing on reclaimed land, the seed quantity of perennial herbaceous mixtures is 40kg/ha with a seed germination rate of 80%. In order to plant herbaceous plants more effectively, application of mineral fertilizers is regulated.
- When applying mineral fertilizers, the soil fertility and botanical composition of the cultivated crops are taken into consideration.

The mining fields with excavation work completed can be utilized for agricultural, water conservancy, forestry, environmental protection, healthcare and construction purposes (*e.g.*, using the quarry as a landfill for construction waste). Additionally, we plan to complete the reclamation of the damaged soil after termination of operations in the tailings storage facility and its associated facilities but before completion of the whole project.

Social Matters

Labor law compliance. We adhere to the relevant labor standards, laws and regulations in the jurisdictions where we operate. For details of such regulatory framework in each relevant jurisdiction, please refer to "Regulatory Overview." Our Chinese employees working in Kazakhstan have obtained valid work permits and renew them annually. Labor contracts are entered into on an annual basis. Labor contracts for Kazakhstan employees are executed in accordance with local Kazakhstani laws. The initial labor contract is generally valid for one year and then renewed for another one or two years, and then becomes an indefinite-term labor contract if the employment continues. During the Track Record Period and up to the Latest Practicable Date, we did not have any material legal violations or lawsuits in relation to labor rights in Kazakhstan or China. Based on their review of relevant documents provided by us and independent public searches through open sources, our Kazakhstan Legal Advisors and PRC Legal Advisors are also of the view that we did not have any material legal violations or lawsuits in relation to labor rights in Kazakhstan and China during the Track Record Period and up to the Latest Practicable Date.

Human rights protection system. We place importance on safeguarding human rights within our labor management practices and prohibit child labor and forced labor. During the Track Record Period and up to the Latest Practicable Date, we did not have any material legal violations or lawsuits related to child labor or forced labor. We have formulated the recruitment management measures to verify the personal information of all new hires. We conduct background checks on the identity and background of new employees upon their entry, requiring applicants to provide proof of personal information, educational background, qualifications, work experience and other relevant information. Employees can voluntarily resign by following our relevant employment procedures. We do not tolerant any form of physical, sexual, psychological or verbal harassment or abuse of our employees. Additionally, to ensure reasonable working time for our employees, we have established standard working hours for our subsidiary companies and projects. During the construction phase of our Boguty Project, we adhere to a "5-day workweek" principle with a maximum of 8 hours per day and a total of 40 hours per week. Certain positions will follow a shift system and overtime work will be discouraged. In cases where overtime is necessary, the relevant department shall submit a request for review by superiors, and affected employees will be compensated for overtime work in accordance with labor contract regulations and no continuous overtime work will be granted.

Equality and diversity. We are committed to fostering a diverse and inclusive workplace and offering equal employment opportunities to everyone. Our recruitment process is guided by the principles of fairness, justice and transparency and ensures that all candidates have the right to equal employment without discrimination. We believe in the unique value that each individual brings to the Group and the industry, irrespective of factors such as their religion, gender, age, marital status and disability status. We are dedicated to cultivating a positive and supportive work environment by encouraging open and friendly communication and cooperation among employees and addressing the concerns of every employee. We prohibit any form of unfair treatment of employees.

Employee welfare policies. We emphasize the well-being of our employees and has established relevant guidelines, including the compensation management system, welfare benefits management measures, allowance and management system, and social insurance and housing fund management system. We make sure that our welfare policies are compliant with local employee welfare laws and regulations. For example, we provide our employees with legally mandated insurance, participation in mandatory provident fund schemes and other essential benefits such as annual leave, sick leave, bereavement leave, nursing leave and parental leave. To motivate employees, we have also implemented incentive policies during the construction of the Boguty Project, which enable us to reward employees in the event of completing certain projects ahead of schedule. Furthermore, we understand the importance of adapting to market fluctuations and aim to refine and adjust our internal compensation and welfare systems from time to time during our operation. Our aim is to enhance employees' compensation and welfare benefits, thereby improving their stability and retention within our Company.

Employee development and promotion. We bear the responsibility and obligation of fostering employee development and career progression. To facilitate this, we have established evaluation systems tailored to different types of employees, including the probationary evaluation measures for new employees, the annual appraisal measures for regular employees and the performance assessment measures for employees engaged in the Boguty Project in Kazakhstan. We set consistent key performance indicators (KPIs) for employees in different positions and use scientifically sound methodologies to assess employee performance. For instance, in the construction phase of the Boguty Project, KPIs are primarily centered on aspects such as safety, environmental protection and project progress. The provision of bonuses and rewards is contingent upon the completion of these KPIs.

Supply Chain ESG Management. We have established ESG requirements for suppliers to mitigate supply chain-related risks. By conducting due diligence on our supply chain, we identify and assess social and environmental risks and take targeted measures to address them. We comprehensively evaluate suppliers' production qualifications, quality management systems, safety and environmental management systems, integrity performance and creditworthiness. Based on this evaluation, we determine the list of qualified suppliers and regularly update it. Additionally, we integrate integrity procurement requirements into various stages of the procurement process. We conduct regular inspections to ensure compliance with our integrity procurement standards and provide internal integrity self-discipline education and supervisions. Any violations identified will be dealt with seriously. Furthermore, to reduce carbon emissions associated with purchased goods, we prioritize local procurement while ensuring the quality of materials and equipment.

OCCUPATIONAL HEALTH AND WORK SAFETY

As much of our operations will be conducted at the mining facilities by large numbers of workers, workplace safety is of importance to us. In the course of tungsten ore exploration and production, we are committed to complying with the sanitary and epidemiological rules and regulations, safety rules and regulations as stipulated by the Kazakhstani Government. In addition, in accordance with the SSU Contract, we shall ensure the implementation of measures to prevent and eliminate accidents and occupational diseases, and it is prohibited to develop a deposit if there is a danger to human life and health. During the Track Record Period and up to the Latest Practicable Date, to the best knowledge and belief of our Directors, there had not been any occupational health or work safety accident or any claim arising from such accident that would have a material adverse effect on our business, financial condition and results of operations. Based solely on (i) legal review of relevant documents provided by us, and (ii) independent public searches through open sources (such as the Proof of No violations of Laws or Regulations Public Credit information Report issued by Credit Guangdong in China), our Kazakhstan Legal Advisors and PRC Legal Advisors are also of the view that we had complied, in all material respects, with the applicable laws and regulations relating to occupational health and operational safety in jurisdictions where we operate during the Track Record Period and up to the Latest Practicable Date.

Work Safety Management

We have established internal occupational health and safety management policies that are generally in line with recognized industry practices and safety regulations in Kazakhstan. In particular, we have established a set of guidelines, including the engineering construction management measures, the guidelines on safety and labor protection, the on-site safety and civilized construction evaluation measures and the guidelines on fire safety measures for office spaces and dormitories. These guidelines are designed to strengthen and improve our on-site safety management, protect the personal safety of our overseas employees and furnish a safe and hygienic work and living environment for all of our employees. In addition, all safety production-related equipment and facilities are incorporated into constructions in accordance with the requirements of safety production assessments for our Boguty Project. We emphasize safety management for high-risk engineering projects, analyze potential hazards at various stages of a project, and establish and ensure the implementation of safety construction plans. We aim to identify and address potential risks in a timely manner, offer safety and labor protection training to management at all levels, allocate responsibilities for safety and labor protection, refine the management of safety and labor protection systems to prevent and control the occurrence of construction production safety incidents.

We have established a dedicated safety management department, staffed with safety engineers and fire engineers. Within this framework, safety and labor protection responsibilities and obligations have been outlined for employees at various levels for our Boguty Project. In particular, a project company, as a whole, bears the responsibility for upholding the safety and labor protection rights of employees, ensures the establishment and execution of safety and labor protection systems and provides qualified labor protection experts and personnel. Leadership within a project company is responsible for the management of safety and labor protection, and ensures that working conditions align with safety and labor protection requirements and that public areas within the company are equipped with safety and labor protection documents and information to promote employee awareness. Furthermore, safety and labor protection engineers are tasked with ensuring the effective implementation of safety and labor protection systems, including carrying out safety and labor protection training, organizing and conducting safety and labor protection inspections and overseeing the optimization of safety and labor protection conditions and measures. Other employees are responsible for adhering to safety and labor protection instructions, internal labor guidelines, production technical requirements, labor discipline and the directives of their superiors, and are obliged to attend relevant training and medical examinations as scheduled.

We also enforce specific requirements on construction sites, mandating safety inspections, incident reporting and corrective plan reviews, and supervises them in ensuring civilized construction practices. This oversight encompasses various aspects, such as ensuring that construction units establish temporary facilities in line with approved site layout plans, maintain orderly material storage and keep the work site clean. Furthermore, there is also monitoring to ensure that construction units adhere to fire prevention and theft prevention measures, thereby upholding the safety of construction sites.

Moreover, we have established a mechanism for evaluating safety and civilized construction to standardize the practices of participating construction units. This evaluation process consists of three parts: civilized construction evaluation, temporary facilities evaluation and safety construction evaluation. These evaluations combine daily inspections with monthly assessments, using daily score records of safety and civilized construction inspections and monthly assessments to measure a construction site's safety management level. Construction supervisors maintain oversight of construction unit performance. If evaluations fall short of expectations, corrective measures are demanded and relevant penalties may be imposed. We have established the following specific requirements for each part of the safety and civilized construction evaluation: (i) civilized construction evaluation includes requirements for construction organization design, safety warnings, signage, site enclosures, site appearance and capacity, material storage, construction equipment and on-site fire prevention; (ii) temporary facilities evaluation covers aspects such as the layout and management of on-site offices and living facilities, temporary electrical distribution lines, distribution boxes and grounding protection devices; and (iii) safety construction evaluation encompasses criteria for special types of work, safety net installation, passageway protection, high-altitude cross-operation protection, exterior scaffolding construction and equipment safety measures.

Work Safety Training

We emphasize training and conduct safety training courses to reinforce safety management and raise employee safety awareness. We have developed the safety and labor protection orientation training program, fire safety orientation training rules and overseas employee safety management guidelines to ensure that employees adhere to safety construction requirements, mitigate safety and fire risks in projects and protect the safety of overseas employees.

We provide new hires with safety and labor protection training, as well as fire safety training. In the safety and labor protection training, we define labor protection and safety-related concepts and outline specific behavioral requirements for employees in areas such as electrical safety, industrial hygiene, fire safety, office automation equipment usage, elevator operation, traffic safety and personal protective equipment, and guidelines for responding to emergency situations to ensure self-protection. During the fire safety training, we instruct employees on how to handle fires and fire-related situations, which focuses on familiarizing employees with firefighting equipment and imparting fire safety knowledge. Additionally, we provide visual fire safety materials and require employees' participation in fire safety drills. Employees are also informed about fire safety requirements in various locations, including buildings, warehouses, offices, dormitories and evacuation routes.

Moreover, to support the progress of overseas projects, we provide supplementary safety education and emergency training for employees working in Kazakhstan. Building on guidelines for the behavior of overseas employees, we further enhance their risk awareness and response capabilities. We hold regular safety training meetings for Chinese employees, provide updates on developments in Kazakhstan and precautionary measures, issue timely safety alerts and analyze safety cases. We maintain communication with the Chinese Embassy in Kazakhstan and local law enforcement authorities to gather and assess information concerning the political and economic landscape, ethnic and religious considerations, social security conditions and social organization activities in Kazakhstan, enabling us to provide timely risk warnings and make appropriate responses.

Employee Health Protection

We also hold each employee in high regard, recognizing them as essential team members, and is dedicated to providing a workplace that is both safe and conducive to happiness and well-being. Alongside safety education and training, we ensure that employees are equipped with comprehensive personal protective gear, such as safety clothing, gloves and rubber footwear. Our safety engineers offer guidance on the correct use and wear of such protective equipment, and they regularly conduct on-site inspections to verify that all factory employees have implemented health protection measures.

In cases where employees experience discomfort or minor illnesses that require medical attention during work, our comprehensive administration department arranges for dedicated personnel to accompany the affected employee to the project camp's medical station for examination and treatment. In the event of a sudden serious illness or an injury occurring during on-site operations, the comprehensive administration department takes immediate action by arranging for the medical station's doctor to provide on-site assistance and contacting the nearest hospital, ensuring that medical personnel is dispatched promptly for necessary treatment. If the employee's condition allows, we will also make emergency arrangements for transportation and accompanying personnel to take the employee to the hospital for urgent treatment.

Moreover, we conduct regular employee health examinations to evaluate their physical well-being and make any necessary job adjustments accordingly. In addition to work-related injury insurance, we further provide employees with personal accident insurance and private health insurance. These policies offer full compensation for conditions stipulated in the insurance contracts, including diseases, annual check-ups and death.

INTELLECTUAL PROPERTY

As of the Latest Practicable Date, we had two trademarks registered in Hong Kong and did not own any patents, and we were the registered owner of the domain name of "jiaxinir.com." For further details of our intellectual property rights, please refer to "Appendix VI—Statutory and General Information—Further Information about Our Business—Our Intellectual Property Rights." During the Track Record Period and up to the Latest Practicable Date, we had not been involved in any claims with respect to the infringement of intellectual property rights belonging to third parties and, to the best knowledge of our Directors, there were no such claims pending or threatened, which would have a material adverse effect on our business, financial condition or results of operations.

INSURANCE

During the Track Record Period and up to the Latest Practicable Date, we maintained various insurance policies for our operations, including (i) individual health insurance for our employees, (ii) commercial insurance covering the risks of riots, wars and expropriation, and (iii) insurance for our vehicles. During the Track Record Period and up to the Latest Practicable Date, we had not made, or been the subject of, any material insurance claims, and we did not experience any business interruptions or losses or damages to our properties that had a material adverse effect on our business, financial condition or results of operations. As of the Latest Practicable Date, we also maintained employee accident insurance for our employees in accordance with applicable laws and regulations of Kazakhstan. As advised by our Kazakhstan Legal Advisors, we have obtained mandatory insurance in accordance with Kazakhstan laws and regulations, and we believe that we have maintained insurance in line with customary industry practice. We believe that our insurance coverage is adequate for our operations and in line with the industry norm.

We will continue to review and assess our risks and make necessary adjustments to our insurance practice to meet our needs and comply with applicable laws and regulations of Kazakhstan, Hong Kong and the PRC. Please refer to "Risk Factors—Risks Relating to Our Business—Our insurance coverage may not be sufficient" for the risks associated with our insurance coverage.

PROPERTIES

As of the Latest Practicable Date, we occupy certain properties in Kazakhstan in connection with our business operations. They mainly include premises such as water supply, checkpoint, substation, administrative building, canteen, toilet, boiler room and dormitories. We leased two properties with a total GFA of approximately 561.84 sq.m. for our daily business operations located in Zhuhai, China.

As of the Latest Practicable Date, we had also acquired land use rights granted by the local authority of the Akimat of Enbekshikazakh District of Almaty region in Kazakhstan. The relevant land plots are designated for tungsten mining and construction of a processing plant, and we shall use them according to the resolutions issued by the relevant authority.

EMPLOYEES

As of June 30, 2025, we had 347 employees in total. A majority of our employees are based in Kazakhstan. The following table sets forth the breakdown of our employees by function and by geographical region as of June 30, 2025:

Function	Number of Employees
Management	12
Administration	19
Finance	10
Operation and production	11
Technical and engineering	295
Total	**347**

Geographical region	Number of Employees
Kazakhstan	336
PRC	6
Hong Kong	5
Total	**347**

Our employees have entered into employment contracts with us in compliance with the relevant Hong Kong, PRC or Kazakhstani labor laws. The terms of the employment contracts cover matters such as wages and other benefits, working hours, annual leave, grounds for termination of employment, workplace safety and confidentiality measures.

We believe that we offer our employees competitive compensation packages and a collaborative working environment. We also provide equal opportunities to all candidates, regardless of their race, religion, gender, age, nationality or other distinguishing factors. As a result, we have generally been able to attract and retain qualified personnel and maintain a stable, core management team. The following table sets forth the breakdown of our employees by gender, age, nationality and race as of June 30, 2025, demonstrating the diversity of our workforce:

Key performance indicators		Number of employees
Gender	Female	33
	Male	314
Age	Below 30	42
	30–50	212
	Over 50	93
Nationality	PRC	109
	Hong Kong	3
	Kazakhstan	234
	Russia	1
Race	Han (漢族)	111
	Dong (侗族)	1
	Kazakh	232
	Russian	2
	Ukrainian	1
Total		**347**

We recruit our employees based on a number of factors, including their work experience, educational background, personalities and our vacancies. During the Track Record Period, we had recruited employees through open recruitment, shareholders' referral and headhunting firms.

In accordance with the SSU Contract, 1% of our annual investment is devoted to the training of employees. This facilitates the development of talented and motivated employees and contributes to the continued performance and growth of our operations. We develop and implement annual employee training and development programs to ensure compliance with the relevant SSU Contract requirements. In 2022, 2023, 2024 and the six months ended June 30, 2025, our expenditure on employee training and development amounted to approximately KZT50.7 million, KZT50.3 million, KZT35.8 million and KZT5.1 million, respectively.

During the Track Record Period, training mainly took place on an individual basis because the number of employees was relatively small. As our operations and number of employees grow, we plan to conduct more group trainings in the future. In 2023, we arranged for certain Kazakh employees specialized in mining, mineral processing, geology and electrical majors to travel to China and receive training at Jiangxi Copper. In September 2024, we arranged another group of approximately ten Kazakh employees in mineral processing and testing majors to receive training at Jiangxi Copper in China. In 2025, we plan to arrange for 20 Kazakh employees to participate in a five-month advanced training program. The training starts in August and the employees will start their internships at Jiangxi Copper in September. We have signed the training agreement with Satbayev University on July 15, 2025. As of the Latest Practical Date, 80.0% of the training fee (KZT48.0 million) has been paid as agreed and the rest of the fee (KZT12.0 million) will be paid upon the completion of the training. Additionally, we will arrange for approximately 50 Kazakh employees to participate in crane and forklift operation training in the second half of 2025, with a total cost of approximately KZT14.0 million. We are still under negotiation with the training institution around the detailed arrangement.

In accordance with the legal requirements of Kazakhstan, we are required to make statutory pension contributions for the benefit of our local employees. We also provide retirement benefits to all eligible Hong Kong employees under the mandatory provident fund scheme. Additionally, we contribute to state-sponsored retirement schemes for our employees in the PRC in accordance with the PRC rules and regulations. For the years ended 2022, 2023 and 2024 and the six months ended June 30, 2025, we incurred pension expenses of approximately HK$2.2 million, HK$2.6 million, HK$1.3 million and HK$0.5 million, respectively. As advised by our Kazakhstan Legal Advisors, Hong Kong Legal Advisors and PRC Legal Advisors, we were in compliance with applicable labor laws and regulations in all material aspects in each of these countries/regions during the Track Record Period.

During the Track Record Period and up to the Latest Practicable Date, we had in general maintained good relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not have any labor unions, nor did our employees negotiate their terms of employment through any labor unions or by way of collective bargaining agreements. Our Directors confirm that during the Track Record Period, we did not experience any material labor disputes with our employees which have had a material impact on our business, financial conditions or results of operations.

LEGAL PROCEEDINGS AND COMPLIANCE

We may from time to time become involved in legal, arbitral or administrative proceedings arising in the ordinary course of our business. As of the Latest Practicable Date, we were not involved in any legal, arbitral or administrative proceedings that would have a material and adverse effect on our business, financial condition or results of operations. As of the Latest Practicable Date, we were not aware of any threatened legal, arbitral or administrative proceedings against us that would have a material and adverse effect on our business, financial condition or results of operations.

During the Track Record Period and up to the Latest Practicable Date, save for incidents as disclosed below, as advised by our Kazakhstan Legal Advisors, Hong Kong Legal Advisors and PRC Legal Advisors, we had complied with the applicable laws and regulations in all material aspects, and we did not have any non-compliance incident which our Directors believe would have a material and adverse effect on our business, financial condition or results of operations.

Delays in Commencing Mining Operations

Pursuant to Addendum No. 3 to the SSU Contract dated December 28, 2020, Subsidiary ZV was required to commence mining operations at the Boguty tungsten mine no later than 2022. We did not commence production until November 2024 due to various factors beyond our control, such as delays due to COVID-19. For details of the COVID-19 impact on our operations, please refer to "Risk Factors—Risks relating to our business—Our operations could be materially and adversely affected by new potential strains of the COVID-19 virus or other public health emergency." However, we have continued the construction of our processing facilities, commenced phase I commercial production in April 2025 and regularly communicated with the MIC on our progress. According to our Kazakhstan Legal Advisors, the MIC is the competent authority in charge of matters related to the SSU Contract. The key communications we had with the MIC on our performance under the SSU Contract as of the Latest Practicable Date are summarized below:

(1) The MIC issued a notification (No. 03-2-18/9612-I) to Subsidiary ZV on October 11, 2023, which made an observation on Subsidiary ZV's preliminary ore extraction activities as part of its mining preparation works and mentioned that the volume of extracted ore was approximately 9.3%, or 307.5 thousand tonnes, of the projected annual production volume of 3.3 Mt.

(2) The MIC issued a letter (No. ZT-2023-02274049) to Subsidiary ZV on November 7, 2023, expressing its trust for the soonest construction and commissioning of the tungsten ore production facilities to improve production performance by Subsidiary ZV.

(3) Subsidiary ZV responded to the MIC in its letter (No. 1129/27) dated November 29, 2023 and informed the MIC that the projected annual production volume of 3.3 Mt is planned to be reached in 2025.

(4) The MIC issued a letter (No. ZT-2023-02676870, the "First Confirmation Letter") to Subsidiary ZV on December 30, 2023, which mentioned that Subsidiary ZV needs to complete the construction and commissioning of the production facilities for the processing of tungsten ore which will allow Subsidiary ZV to improve the mining performance and reach the projected annual production volume. In this letter, the MIC also confirmed that the SSU Contract was in force and as of the date of the letter, it did not plan to terminate our subsoil use right under the SSU Contract.

(5) Subsidiary ZV requested the MIC in its letter (No. 0410/15) dated April 10, 2024 to (i) initiate the negotiation procedure with Subsidiary ZV for revising the production commencement date, amending the project documents and execution of addendum No. 4 to the SSU Contract between the MIC and Subsidiary ZV, and (ii) confirm that the MIC will not unilaterally terminate the SSU Contract due to Subsidiary ZV's failure to commence production in 2022.

(6) The MIC issued the Second Confirmation Letter (together with the First Confirmation Letter, the "MIC Confirmation Letters") to Subsidiary ZV on April 24, 2024, and confirmed that, among others, (i) the SSU Contract was valid, (ii) the MIC was aware that Subsidiary ZV had not yet commenced production at the Boguty deposit, (iii) the MIC did not see any impediments to include addendum No. 4 to the SSU Contract to change the commercial production commencement date to 2025; and (iv) the MIC will not terminate the SSU Contract.

(7) The MIC and ZV executed Addendum No. 4 to the SSU Contract extending the full-production commencement term to 2025 on August 16, 2024.

As indicated in our communications with the MIC above, the MIC is fully aware of our operations and ongoing delays in the commencement of production at the Boguty tungsten mine. During our regular communications with the MIC, the MIC and relevant officers did not provide any negative comments or feedback against us other than reminding Subsidiary ZV to comply with the SSU Contract, which, according to our Kazakhstan Legal Advisors, is commonly expressed by the MIC in its general correspondence with all subsoil users. As of the Latest Practicable Date, we had not received any notification from the MIC indicating any unrectified non-performance, breaches and/or non-compliance as required under the SSU Contract and the MIC had not imposed any penalty on us as a result of any non-compliance with the SSU Contract.

Underperformance of Financial Obligations under the SSU Contract

During the Track Record Period, we received three notification letters from the MIC alleging (i) a past due amount of KZT69,888,299 (approximately HK$1,214,182) for 2021 in connection with regional social development under the SSU Contract, (ii) our failure to spend funds on training of Kazakhstan employees as required by the SSU Contract for 2022 in the amount of KZT40,359,000 (approximately HK$701,164), and (iii) our failure to meet certain financial obligations (i.e., financing of scientific research, scientific and technical, and/or experimental design work provided by Kazakhstani producers of goods, works and services, and/or projects by participants of the "Park of Innovative Technologies" innovation cluster) as required by the SSU Contract for 2023 in the amount of KZT95,028,000 (approximately HK$1,650,938). We had fully settled the amount as of the Latest Practicable Date, and received confirmation of our rectification of such non-compliance from the MIC, including a confirmation that the issue of terminating the subsoil use rights was not under consideration. As stated in the Second Confirmation Letter, the MIC confirmed that these previous breaches of financial obligations under the SSU Contract had been rectified and the SSU Contract will not be terminated due to such non-compliance. We plan to regularly review our contractual obligations under the SSU Contract and compliance status to prevent the occurrence of similar incidents in the future.

Based on the review of (i) the SSU Contract which provides that the MIC is entitled to terminate the SSU Contract unilaterally if there are at least two breaches of the SSU Contract or associated project documents which have not been rectified by Subsidiary ZV within the term as specified in the respective notifications of the MIC, (ii) the fact that we had not received any notification letter from the MIC indicating any unrectified non-performance, breaches and/or non-compliance as required under the SSU Contract as of the Latest Practicable Date which would trigger the unilateral termination right of the MIC under the SSU Contract, (iii) our regular communications with the MIC on this matter where the MIC was fully notified of the delays in commencing mining operation, and (iv) the MIC Confirmation Letters, our Kazakhstan Legal Advisors are of the view that there is no risk of termination of the SSU Contract by the MIC as a result of our delay in the commencement of production at the Boguty tungsten mine and the other non-compliance with the SSU Contract as described above.

Taking into account the above view of our Kazakhstan Legal Advisors, our regular communications with the MIC on our operations at the Boguty tungsten mine, the fact that we had not received any notification from the MIC indicating any unrectified non-performance, breaches and/or non-compliance as required under the SSU Contract as of the Latest Practicable Date, our Directors are of the view that there is no risk of the SSU Contract being terminated as a result of our delay in the commencement of production at the Boguty tungsten mine and the other non-compliance with the SSU Contract as described above and such incidents will not have a material adverse impact on our operations. In August 2024, we concluded Addendum No. 4 to the SSU Contract with the MIC, which provides that we shall reach the projected annual production volume in 2025 and comply with the environmental laws of Kazakhstan in our operations.

In addition, we entered into a memorandum of understanding with the MIID, a predecessor of the MIC, for potential collaborations in Kazakhstan in July 2023, which, among other matters, confirmed the contemplated construction of the processing facilities in 2024 and the MIID's support of our development of the Boguty Project. Our Directors believe that such memorandum further shows the MIC's awareness and support of our operations and development plans at the Boguty tungsten mine.

According to our Kazakhstan Legal Advisors, in recent years, the MIC terminated a number of subsoil use contracts due to certain non-performance of obligations under the relevant subsoil use contracts. See "Risk Factors—Risks relating to Our Business—Our SSU Contract may be terminated by the relevant competent authority unilaterally, which would have a material and adverse effect on our business, financial condition and results of operations" for details of such cases. However, as advised by our Kazakhstan Legal Advisors, our delays in the commencement of production at the Boguty tungsten mine is significantly different from the relevant subsoil users' failure to perform certain financial obligations under the relevant subsoil use contracts and subsequent failure to rectify such non-compliance in the recent termination cases. Particularly, unlike those subsoil users whose contracts were terminated by the MIC, Subsidiary ZV has been in constant communications with the MIC to update the MIC on the current status of the Boguty Project and timely responded to any notification letters from the MIC with appropriate rectification measures. The MIC has also confirmed in the First Confirmation Letter that it has been satisfied with the approach Subsidiary ZV has taken and further confirmed that it will not terminate the SSU Contract in the Second Confirmation Letter. Additionally, subsoil users are entitled to appeal an order of termination of a subsoil use contract, and some subsoil users have successfully appealed in their cases mainly due to the MIC's procedural breaches of the termination process. Therefore, as advised by our Kazakhstan Legal Advisors, we believe that our situation for the Boguty Project is different from those in the termination cases.

Environmental Issue Lawsuits in Connection with Our Public Hearings

As required by the relevant Kazakhstan laws and regulations, we are required to hold public hearings for conducting any activity that may affect the environment in the areas adjacent to the Boguty deposit. In October 2018, Subsidiary ZV held a public hearing in connection with changes to the mining works plan on the reserves calculation using new data on exploration, technology and economics, and a total of three lawsuits were filed against us in connection with such public hearing. Each of these lawsuits were initiated by individual community stakeholders (*i.e.*, individuals who reside in the area adjacent to the contract territory and whose interests are or may be affected by decisions made on environmental matters or who have an interest in participating in the process of making those decisions) who raised various claims on alleged breaches of procedures, including both civil law claims (*i.e.*, they were not offered an opportunity to participate in such public hearings) and administrative claims (*i.e.*, the relevant state authority at the time, being the Committee of Ecological Regulation and Control of the Ministry of Ecology, Geology and Natural Resources, refused to protect their interests by failing to file the respective claims to the relevant court). Subsidiary ZV was a co-defendant in these lawsuits together with the relevant state authority and the Akimat (which means a mayor's office in Kazakhstan) of the Shelek rural county of the Enbekshikazakh District of Almaty region. In each of the lawsuits, claimants sought for an invalidation of the public hearing result without any monetary remedies. If the result of a public hearing is invalidated, the subsoil user would need to conduct such public hearing again with the aim to accommodating the relevant request of local community. As of the Latest Practicable Date, all claims raised in these lawsuits had been dismissed or withdrawn. In particular, the civil law claims were dismissed on the grounds such as that (a) the lapse of the statute of limitations set for such claims and (b) the fact that claimants did not show up at the court hearings. The administrative claims were withdrawn on the grounds such as that (a) Subsidiary ZV could not be a defendant since it is not an administrative body, *i.e.*, it is an improper defendant, and (b) there were various defects in the filed claims and supporting documents that had not been rectified by the claimants. For each of the lawsuits, the claimants would have the right to appeal the court's decision within one month on claims initiated in civil proceedings and within 10 business days on claims initiated in administrative proceedings, upon the issuance of such decision. If the claimants succeed in an appeal and a court decision supporting their claims is issued, the potential impact on our Group would be a invalidation of the results of the relevant public hearing. If so, we would need to re-conduct the relevant public hearing to provide a basis to support certain established documentation for the Boguty Project. As of the Latest Practicable Date, the appeal period for all these lawsuits had ended. There was an appeal filed on the decision of one of these lawsuits in May 2024, and the court hearing for this appeal took place in July 2024. The appellate court rejected this appeal and upheld the initial court decision that all claims raised in this lawsuit shall be rejected.

If we hold any public hearing in the future, we cannot rule out the possibility that affected stakeholders, including those claimants who had made claims previously, may make new claims or lawsuits against us based on the issues involved in such new public hearings. See "Risk Factors—Risks Relating to Our Business—If we become subject to litigation, legal or contractual disputes, governmental investigations or administrative proceedings, our management's attention may be diverted and we may incur substantial costs and liabilities" for details of the risks relating to such proceedings.

Going forward, we plan to develop policies and procedures to promote communications with community stakeholders and governmental authorities with respect to our operations at the Boguty deposit, including regular communications with the state and local authorities, with a view to ensuring compliance with applicable laws and regulations and minimizing exposure to disputes with local stakeholders.

INTERNAL CONTROL AND RISK MANAGEMENT

Risk management is vital to our business as we are exposed to various risks during our operations. In addition, we are exposed to financial risks that may arise in the ordinary course of business. Our management team is responsible for establishing our internal control system and reviewing its effectiveness, which is key to reliable financial reporting and compliance with applicable laws and regulations. We have established a set of policies and measures to identify, evaluate and manage the principal risks associated with the tungsten industry, such as commodity prices, technical difficulties as well as safety and environmental issues in developing tungsten mines, foreign currency risks, credit risks, compliance with the applicable Kazakhstani laws (such as mining and tax laws and regulations) and business emergency due to political changes and community relations maintenance. We will continue to adopt risk management policies and internal control measures to monitor and assess the potentials risks that could harm our business. Please refer to "Risk Factors" for details of major risks associated with our business operations.

In preparation for the Listing, our Group has engaged an independent third party consultant (the "**Internal Control Consultant**") to perform a review on selected areas of our internal controls for financial reporting in January 2023. The scope of the review performed by the Internal Control Consultant was agreed between us, the Sole Sponsor and the Internal Control Consultant and covered entity level controls and business process level controls, including revenue and receivables, purchases and payables, HR and payroll, fixed assets, treasury management, insurance, financial reporting, intangible assets, general controls of information technology, project management, tax, production and cost, and inventory management. During the review, certain internal control matters were identified and the Internal Control Consultant performed a follow-up review to review the status of the management actions taken by our Group to address these findings. The Internal Control Consultant did not have any further recommendation after the follow-up review. The preliminary review and the follow-up review were conducted based on information provided by our Group and no assurance or opinion on internal controls was expressed by the Internal Control Consultant.

To monitor the ongoing implementation of our risk management policies and corporate governance measures after the Global Offering, we have adopted or will continue to adopt, among other things, the following measures:

- adopt various policies to ensure compliance with the Listing Rules, including but not limited to, aspects related to risk management, connected transactions and information disclosure;

- establish an audit committee to review and supervise our financial reporting process and internal control system. For details of the qualifications and experience of the committee members, please refer to "Directors and Senior Management;"

- establish a set of policies and procedures in relating to mining management, including but not limited to, license management, production planning and management, mine site security management, and production safety;

- establish a set of policies in relation to health and safety management, including but not limited to, emergency response and rescue measures at mining facilities, accidents and injuries reporting and provision of safety training to our staff;

- when considered necessary and appropriate, we will seek professional advice and assistance from external legal advisors and/or other appropriate independent professional advisors with respect to matters related to our internal control and legal compliance;

- organize training session for our Directors and senior management in respect of the relevant requirements of the Listing Rules and duties of directors of companies listed in Hong Kong; and

- appoint a compliance advisor as required under Rule 3A.19 of the Listing Rules to provide advice to our Directors in respect of matters relating to the Listing Rules upon the Global Offering.

In addition, we have established internal anti-corruption, anti-bribery and anti-money laundering policies to mitigate relevant risks in our operations. For example, we have strict control over any cash transactions. We regularly monitor all of our bank accounts and have a multi-level review system for any financial transactions.

After we initiated the trial production in November 2024, we have continued the development of our Boguty Project to satisfy the conditions for full implementation of the SSU Contract. We commenced phase I commercial production in April 2025. Going forward, we will take the following enhanced measures to ensure compliance with the contractual obligations under the SSU Contract:

- maintain the safety and environmental protection management of our production process for a safe, stable and timely operation, including the formulation of the safety and labor protection guidelines, conducting monthly workplace safety inspections and subsequent rectifications if needed;

- strengthen employee training and management by leveraging a team of experienced and skillful staff dispatched from China to support the training of local employees for the commercial production to ensure a stable production;

- strengthen the technology and equipment management of the production system to ensure that all production equipment is in good condition and will operate as expected for commercial production to achieve optimal production, including regular inspection and maintenance of equipment and providing training to employees to improve operational skills;

- continue to monitor our compliance with the responsibilities and obligations set forth in the SSU Contract, including the financial obligations to support the training of local employees and the fund for construction of local infrastructure and land reclamation, and the application and allocation of employee training and R&D investment in accordance with the SSU Contract; and

- continue to monitor our compliance with the local laws and regulations, including timely payment of tax expenses, including engaging external legal advisors in China and Kazakhstan to provide legal consulting services, commissioning external agencies to provide training on taxation and financial accounting for personnel involved in tax management, and require employees to familiarize themselves with local safety-related legal requirements when conducting business operations.

Based on the above, our Directors are of the view that we have taken reasonable steps to establish an internal control system and procedures that are adequate and effective to manage the risks we are exposed to in our business operations.

OVERVIEW

As of the Latest Practicable Date, our Company was owned by Ever Trillion, a company wholly owned by Mr. Liu Zijia (劉子嘉), as to approximately 43.35%, and by Jiangxi Copper HK, a company wholly owned by Jiangxi Copper, as to approximately 41.65%, respectively. Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised), Ever Trillion and Jiangxi Copper HK will own approximately 32.51% and 31.24% of the share capital of our Company, respectively. Jiangxi Copper was in turn owned as to approximately 43.72% by Jiangxi Copper Corporation Limited as of September 30, 2024. For details, please refer to "Substantial Shareholders" section in this prospectus. Therefore, each of (A) Jiangxi Copper and Jiangxi Copper HK (being the Jiangxi Copper Controlling Shareholders Group), and (B) Mr. Liu Zijia and Ever Trillion (being the Ever Trillion Controlling Shareholders Group) has been and will continue to be two groups of our Controlling Shareholders after the Listing.

Mr. Liu Zijia, Ever Trillion and Goldblink entered into the Loan Agreement with the Goldblink Call Option on November 20, 2023. Pursuant to the Loan Agreement, in the event that Goldblink opts to exercise the Goldblink Call Option after the Listing and assuming the Over-allotment Option is not exercised and there are no changes to the shareholding of Ever Trillion and Goldblink and the issued share capital of the Company, then immediately after the completion of the acquisition of the Target Shares by Goldblink (which at the earliest would be at the expiry of a 12-month period immediately following the Listing Date), Goldblink would hold 43,876,000 Shares, representing 9.99% of the share capital of our Company, and Ever Trillion would hold 98,924,000 Shares, representing 22.52% of the share capital of our Company. Therefore, in such circumstances, Mr. Liu Zijia and Ever Trillion would cease to be our Controlling Shareholders. For details of the Loan Agreement and the Goldblink Call Option, see "History and Corporate Structure—Loan Arrangement between Ever Trillion and Goldblink".

OUR RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

Our Principal Business

We are a tungsten mining company based in Kazakhstan and have been focusing on the development of our Boguty Project. For details, please see "Business" section in this prospectus.

Principal Business of Jiangxi Copper

Jiangxi Copper is a Sino-foreign joint venture state-owned company with its headquarters in Nanchang city, Jiangxi Province, the PRC. Jiangxi Copper is primarily engaged in copper and other non-ferrous metals mining and dressing, smelting and processing, extraction and processing of scattered metals, sulphuric chemistry and finance and trading fields. It has the complete industrial chain integrated with exploration, mining, ore dressing, smelting and processing in copper and related non-ferrous metal fields. Jiangxi Copper is an important production base of copper, gold, silver and sulphuric chemistry in the PRC, with its products comprising of more than 50 varieties, including copper cathode, gold, silver, sulphuric acid, copper rod, copper tube, copper foil, selenium, tellurium, rhenium, bismuth, etc. As of the Latest Practicable Date, Jiangxi Copper and its associated companies possessed the following main assets:

- controlling interests in Shandong Humon Smelting Co., Ltd. (山東恒邦冶煉股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002237) primarily engaged in the exploration, mining, dressing, smelting and chemical production of gold;
- five smelters under production, all of which are intended for copper and copper related products;
- five wholly-owned mines under production, all of which are intended for copper and other related non-ferrous minerals; and
- ten modern copper products processing plants.

As such, Jiangxi Copper and its associated companies are not engaged in the exploration, mining or sales of tungsten.

Principal Business of Ever Trillion

Ever Trillion, which is ultimately controlled by Mr. Liu Zijia, is a company incorporated in Hong Kong principally engaged in investment holding.

Mr. Liu Zijia, aged 30, served as a director of our Company from March 2017 to May 2021 and an assistant to president of our Company from March 2019 to January 2020, primarily responsible for assisting the vice president in the daily management of our Company. Before joining our Company, he served as a financial planner of AIA Group. Mr. Liu resigned as our Director due to the Board composition adjustment following CRCCII's and CCECC HK's investment in May 2021 when he also wanted to focus on the management of Ever Trillion and seeking for investment and financing opportunities for Ever Trillion.

No Competition with our Controlling Shareholders under Rule 8.10 of the Listing Rules

In light of the above, our Controlling Shareholders are not interested in any business, apart from our businesses, which competes or is likely to compete, either directly or indirectly, with our businesses under Rule 8.10 of the Listing Rules as of the Latest Practicable Date.

COMPETING INTEREST OF DIRECTORS

Our Directors have confirmed that they are not interested in any business, apart from our businesses, which competes or is likely to compete, either directly or indirectly, with our business under Rule 8.10 of the Listing Rules as of the Latest Practicable Date.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Taking into consideration the following factors, our Directors believe that we can conduct our business independently from our Controlling Shareholders and their respective close associates after the Global Offering.

Operational Independence

We operate our businesses independently from our Controlling Shareholders and their respective close associates. We have obtained relevant qualifications and licenses, independent operating premises and systems needed for our businesses. Our Group also has a sufficient level of business operations, assets, facilities, equipment and employees to operate our business independently from our Controlling Shareholders and their respective close associates.

We have our own organizational structure with self-governing departments, each with specific areas of responsibility in carrying out essential administrative functions without the support of our Controlling Shareholders. We have an independent human resources management system and has entered into employment contracts with our employees. We have our own financial function with a team of independent financial staff. We also maintain a set of comprehensive internal control procedures to facilitate the effective operation of our business. We have adopted a set of corporate governance manuals, including the terms of reference for general meetings and terms of reference for Board meetings, both of which are based on relevant laws, rules and regulations.

We entered into certain connected transactions with our Controlling Shareholders and their respective close associates, which will continue after the Listing. See section headed “Connected Transactions” for more details. All such transactions will be conducted on arm’s length and on normal commercial terms in the ordinary and usual course of business of our Group in accordance with the requirements under Chapter 14A of the Listing Rules, the pricing policy of our Group and our connected persons are not prejudicial to the interests of any of the parties. Our Directors believe that such transactions will not have affect our operational independence as a whole.

Based on the above, our Directors are of the view that our Company operates independently from our Controlling Shareholders.

Financial Independence

We have established our own finance department with a team of independent financial staff who are responsible for our financial management, accounting, reporting, funding and internal control functions independently from our Controlling Shareholders and their respective close associates.

We can make financial decisions independently, and our Controlling Shareholders do not interfere with our use of funds in our ordinary course of business. We have also established an independent audit system, a standardized accounting system and a financial management system. In addition, we maintain and manage bank accounts independently and our Controlling Shareholders and/or their respective close associates do not share any bank accounts with us. We have made independent tax registration in accordance with applicable laws and paid tax independently pursuant to applicable tax laws and regulations, rather than on a combined basis with our Controlling Shareholders or their respective close associates.

As of the Latest Practicable Date, Jiangxi Copper Corporation Limited (江西銅業集團有限公司), the controlling shareholder of Jiangxi Copper, had provided guarantees for certain of our loan facilities in an aggregate amount of up to EUR188.0 million and RMB92 million with an independent financial institution (the "**Jiangxi Copper Guarantee**"), and Ever Trillion, CRCCII and CCECC HK provided counter guarantees to Jiangxi Copper Corporation Limited. We have received confirmation from such independent financial institution that they have agreed in principle to release the Jiangxi Copper Guarantee prior to the Listing and we expect to release the Jiangxi Copper Guarantee and the counter guarantees provided by Ever Trillion, CRCCII and CCECC HK will be released prior to the Listing. Due to the expected increased financing capability upon completion of the Listing, we believe that we have the ability to secure financing independently. In addition, we entered into three loan agreements with our Controlling Shareholders, pursuant to which the Controlling Shareholders provided shareholder loans to our Company, which are expected to be settled prior to the Listing. For details, please see "Financial Information — Indebtedness" in this prospectus. All amounts due to shareholders will be settled before the Listing. Save as disclosed above, there was no loan, advance or guarantee provided by members of the group of our Controlling Shareholders or their respective close associates during the Track Record Period and as of the Latest Practicable Date.

Based on the above, our Directors are of the view that our Company is able to maintain financial independence from our Controlling Shareholders and their respective close associates.

Management Independence

Our business is primarily managed and conducted by our Board and senior management. Upon the Listing, our Board will consist of eight Directors, including three executive Directors, two non-executive Directors and three independent non-executive Directors, of which two Directors (the "**Overlapping Directors**") hold and will continue to hold positions in our Controlling Shareholders and/or their respective close associates after the completion of the Global Offering. For more information, see "Directors and Senior Management."

The following table sets out the Overlapping Directors of our Company and the Controlling Shareholders and/or their close associates as of the Latest Practicable Date:

Name	Positions held in our Company	Position held in our Controlling Shareholder and/or their close associates
Mr. QIU Huaizhi (邱懷智)	Executive Director and assistant to chief executive officer	Non-executive director of Ever Trillion
Mr. ZHA Kebing (查克兵)	Non-executive Director	Assistant to general manager and the general manager of the strategic and investment department of Jiangxi Copper

Mr. QIU Huaizhi, an executive Director and the assistant to chief executive officer of our Company, also serves as a non-executive director of Ever Trillion and does not participate in the daily business operation and management of Ever Trillion. Therefore, Mr. Qiu does not expect that his position with Ever Trillion will take up a substantial amount of his time or will affect his duties and responsibilities in the Company. He will be able to devote sufficient time to the management of our Company.

Mr. ZHA Kebing is our non-executive Director. He has served as the assistant to general manager of Jiangxi Copper since December 2013, and the general manager of the strategic investment department of Jiangxi Copper since February 2022, and will continue to serve in such position in Jiangxi Copper immediately following the Listing. It is expected that Mr. Zha will not be involved in our day-to-day business operations as a non-executive Director, and our Board believes that such arrangement will not affect the discharge of his duties and responsibilities to us and Jiangxi Copper.

Save as disclosed above, none of our Directors or senior management held any position in our Controlling Shareholders or their respective close associates. As such, our Company and the Controlling Shareholders and their respective close associates are principally managed by separate management teams. Hence, we have sufficient management team members who do not hold any position in our Controlling Shareholders and their respective close associates and are independent and have the adequate relevant experience to ensure the normal operation of the day-to-day business and management of our Group.

We believe that our Directors and senior management are capable of managing the Group's business and operation independently from our Controlling Shareholders after the Listing for the following reasons:

(a) except for the Overlapping Directors, the other six Directors are independent of our Controlling Shareholders, comprising two executive Directors, one non-executive Director and three independent non-executive Directors, all of whom possess sufficient knowledge, experience and competence in respect of management and corporate governance affairs. Accordingly, they are able to discharge their duties independently from our Controlling Shareholders. Each of our Directors are well aware of their fiduciary duties which, among other things, require he/she must act for the benefit of and in the best interests of our Group and not allow any conflict between his/her duties as a Director and his/her personal interests;

(b) the Board of our Company will have a balanced composition of eight Directors upon the Listing, three of which are independent non-executive Directors, which ensures the independence of the Board in making decisions affecting our Company. Specifically, (A) our independent non-executive Directors are not associated with any Controlling Shareholders and/or their respective close associates; (B) our independent non-executive Directors account for more than one third of the Board; and (C) our independent non-executive Directors individually and collectively possess the requisite knowledge and experience to provide professional and experienced advice to our Company. Our Directors are of the view that our independent non-executive Directors are able to bring impartial and sound judgment to the decision-making process of our Board and protect the interests of our Company and our Shareholders as a whole;

(c) having considered the fact that none of our Controlling Shareholders or their respective close associates is engaged in businesses which are similar to the core businesses of our Group, the Company believes that the possibility of conflict of interest or potential conflict of interest issues in discharging the Overlapping Directors' duties of business and operation management of our Group is relatively low. That said, in the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Company and members of our Controlling Shareholders or their respective close associates, the interested Director(s) shall abstain from voting at the relevant board meetings of our Company in respect of such transactions, and shall not be counted in the quorum and our independent non-executive Directors shall give their independent opinions to the Board and/or our independent Shareholders on such transactions pursuant to the Listing Rules; and

(d) our Company has established internal control mechanisms to manage conflict of interests, including, among others, the policies and procedures to identify connected transactions and material interests of our Directors, senior management and Shareholders to ensure that our Shareholders, Directors or senior management with conflicting interests in a proposed transaction will abstain from voting on the relevant resolutions. See "— Corporate Governance Measures" in this section for further details.

Further, our Directors are of the view, and the Sole Sponsor concurs, that our Group is independent from the Controlling Shareholders despite that certain Directors and senior management of our Company (i.e., Mr. Wang Zhongwei, Mr. Zha Kebing, Mr. Zhu Guoshan, Mr. Liu Peng, Mr. Zhao Yingfeng, Mr. Chen Bo and Mr. Zhang Shengyi) (together, the "**Relevant Management**") previously worked or concurrently work at Jiangxi Copper and/or its associated companies, and the Group's business operation and development have been and will continue to be profoundly benefited from the experience of the Relevant Management, which we believe is in the best interest of our Group, for the following reasons:

(i) the Relevant Management have entered into employment contracts with our Group with effect from their respective date of commencement of working at our Group. As of the Latest Practicable Date, save for Mr. Zha Kebing, being the non-executive Director and not involved in the day-to-day management of the Group, and Mr. Zhu Guoshan, being an independent non-executive Director and has ceased to work at Jiangxi Copper since November 2007, the Relevant Management was exclusively employed by our Company. As confirmed by our Company and advised by our PRC Legal Advisors, the Relevant Management are not dispatched by Jiangxi Copper and its associates to our Group. Save for Mr. Zha and Mr. QIU Huaizhi as disclosed above, none of our Directors or senior management held any position in our Controlling Shareholders or their respective close associates; and

(ii) As disclosed in the section headed "Directors and Senior Management" in this prospectus, the experience in mining and processing of copper and other nonferrous metals of the Relevant Management during their work at Jiangxi Copper is transferable to our Group's mining activities of tungsten. The Relevant Management joined our Group to further the exploration and extraction activities of our Group in an efficient way by allowing the Relevant Management to apply their previous work experience and skills during the development of Boguty Project, which was in the interest of the implementation of the Boguty Project and our Group as a whole.

On the basis of the above, our Directors are of the view that our management is independent from our Controlling Shareholders.

CORPORATE GOVERNANCE MEASURES

Upon the completion of the Global Offering, our Company will adopt the following corporate governance measures to identify and manage potential conflicts of interest:

(i) where a Shareholders' meeting is held for considering proposed transactions in which the Controlling Shareholders and/or their respective close associates has a material interest, our Controlling Shareholders shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for voting;

(ii) where a Board meeting is held for the matters in which a Director has a material interest, such Director shall abstain from voting on the relevant resolutions and shall not be counted in the quorum for voting;

(iii) in the event that our independent non-executive Directors are requested to review any conflict of interests' circumstances between our Group and our Controlling Shareholders and/or Directors, our Controlling Shareholders and/or Directors shall provide our independent non-executive Directors with all necessary information and our Company shall disclose the decisions of our independent non-executive Directors either in its annual report or by way of announcements;

(iv) our Directors (including the independent non-executive Directors) will seek independent and professional opinions from external advisors at our Company's cost as and when appropriate in accordance with the Corporate Governance Code and Corporate Governance Report as set out in Appendix C1 to the Listing Rules;

(v) our Company has established internal control mechanisms to identify connected transactions. Any transaction between our Company and our Controlling Shareholders and their close associates shall comply with the relevant requirements of the Listing Rules, including, where appropriate, the announcement, reporting, and independent Shareholders' approval (if applicable) requirements; and

(vi) our Company has appointed Guolian Securities International Capital Market Co., Limited as our compliance advisor, which will provide advice and guidance to us in respect of compliance with the Listing Rules and applicable laws, rules, codes and guidelines, including but not limited to various requirements relating to Directors' duties and internal controls.

Based on the above, our Directors are satisfied that our Company has sufficient and effective corporate governance measures to manage conflicts of interest between our Group and our Controlling Shareholders and/or Directors to protect minority Shareholders' rights after the Listing.

OVERVIEW

We have entered into transactions with certain entities that will become our connected persons (as defined under Chapter 14A of the Listing Rules) upon the Listing. Such transactions will continue after the Listing and will therefore constitute our continuing connected transactions under Chapter 14A of the Listing Rules.

CONNECTED PERSONS

Upon Listing, the following entities with whom we have entered into transactions will become our connected persons under the Listing Rules:

Connected Persons	Connected Relationship
CCECC	CRCC will indirectly hold, through two indirectly wholly-owned subsidiaries (namely, CCECC HK and CRCCII), an aggregate of approximately 11.25% issued capital in the enlarged share capital of our Company upon the Listing, and therefore be our substantial shareholder and connected person pursuant to Chapter 14A of the Listing Rules. CCECC, as a wholly-owned subsidiary of CRCC, will therefore be our connected person pursuant to Chapter 14A of the Listing Rules. CCECC is a company incorporated in the PRC principally engaged in the worldwide project contracting, civil engineering design and consultancy, industrial mining, import and export activities.
Jiangxi Copper Hong Kong Company Limited (江西銅業香港有限公司) ("**JCHK**")	Jiangxi Copper HK will directly hold approximately 31.24% issued shares in the enlarged share capital of our Company upon the Listing, and therefore be one of our Controlling Shareholders and connected person pursuant to Chapter 14A of the Listing Rules. JCHK, as a wholly-owned subsidiary of Jiangxi Copper, which in turn wholly owns Jiangxi Copper HK, will therefore be our connected person pursuant to Chapter 14A of the Listing Rules. JCHK is a company incorporated in Hong Kong principally engaged in copper mining, milling, smelting and refining to produce copper-related products.

Connected Persons	Connected Relationship
Jiangxi Copper Group (Dexing) Foundry Co., Ltd. 江西銅業集團(德興)鑄造有限公司 ("**Jiangxi Copper Dexing Foundry**")	Jiangxi Copper HK will directly hold approximately 31.24% issued shares in the enlarged share capital of our Company upon the Listing, and therefore be one of our Controlling Shareholders and connected person pursuant to Chapter 14A of the Listing Rules. Jiangxi Copper Dexing Foundry, as a wholly-owned subsidiary of Jiangxi Copper, which in turn wholly owns Jiangxi Copper HK, will therefore be our connected person pursuant to Chapter 14A of the Listing Rules. Jiangxi Copper Dexing Foundry is a company established in the PRC principally engaged in precision copper alloy castings for industrial applications.
Jiangxi Copper Group (Yanshan) Mineral Processing Reagents Co., Ltd.江西銅業集團(鉛山)選礦藥劑有限公司 ("**Jiangxi Copper Yanshan**")	Jiangxi Copper HK will directly hold approximately 31.24% issued shares in the enlarged share capital of our Company upon the Listing, and therefore be one of our Controlling Shareholders and connected person pursuant to Chapter 14A of the Listing Rules. Jiangxi Copper Yanshan, as a wholly-owned subsidiary of Jiangxi Copper, which in turn wholly owns Jiangxi Copper HK, will therefore be our connected person pursuant to Chapter 14A of the Listing Rules. Jiangxi Copper Yanshan is a company established in the PRC principally engaged in the supply of flotation collectors and depressants in China.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

No.	Nature of transactions	Applicable Listing Rules	Waiver sought	Proposed annual caps for the year ending December 31,		
				2025	2026	2027
				HKD in millions		
Non-exempt continuing connected transactions subject to reporting, annual review, and announcement requirements						
1.	Procurement of equipment from CCECC	14A.76(2) and 14A.105	Reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules	23.0	—	—
2.	Procurement of production materials from Jiangxi Copper Dexing Foundry and Jiangxi Copper Yanshan	14A.76(2) and 14A.105	Reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules	87.0	87.0	87.0
Non-exempt continuing connected transactions subject to reporting, annual review, announcement and independent Shareholders' approval requirements						
1.	Construction services provided by CCECC and its subsidiaries	14A.76(2) and 14A.105	Reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules	266.0	100	–
2.	Mining services provided by CCECC and/or its subsidiaries	14A.76(2) and 14A.105	Reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules	126.0	–	–
				RMB in millions		
3.	Supply of scheelite to Jiangxi Copper Hong Kong Company Limited	14A.76(2) and 14A.105	Reporting, annual review, announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules	–	250.0	–

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNUAL REVIEW AND ANNOUNCEMENT REQUIREMENTS

1. Construction Services and Equipment Procurement Framework Agreement — Procurement of Equipment

Parties: CCECC (for itself and on behalf of its subsidiaries) (as supplier); and

Our Company (for itself and on behalf of its subsidiaries) (as purchaser).

Principal terms

On August 18, 2025, we have entered into a construction services and related equipment procurement framework agreement with CCECC (the "**Construction Services and Equipment Procurement Framework Agreement**"), pursuant to which CCECC has agreed to provide the facilities and equipment installed during the construction and infrastructure mining, including the facilities and equipment for the mining processing system, mining waste system, ancillary and public system, the general layout and transportation system (the "**Related Equipment**") and the relevant installation, transportation, acceptance inspection and warranty services in the construction and mining of the Boguty Project.

The Construction Services and Equipment Procurement Framework Agreement will have a term commencing from the Listing Date and ending on December 31, 2026, subject to renewal by mutual consent and negotiation between the parties. Both parties (and/or their subsidiaries) have separately entered and will enter into specific agreements which set out the specific terms and conditions, including the purchase price, payment method, the expected completion time and scope and period of warranty in respect of the relevant transaction in accordance with the principles set out in the Construction Services and Equipment Procurement Framework Agreement.

In particular, Subsidiary ZV has entered into an equipment procurement agreement with CCECC (as amended and supplemented), the principal terms of which are set out as follows:

(i) all Relevant Equipment shall be delivered by August 31, 2024;

(ii) CCECC's liability in the events of default (including failure to deliver on time, failure to comply with requirements under the agreement, quality defects, infringement of third-party IP rights). Specifically, CCECC shall be liable for penalty in the event of (a) delay in delivery of the Relevant Equipment, at a daily rate of 0.05% with a cap of 5% of the total fee amount under the agreement, (b) failure to comply with requirements under the agreement, being 5% of the price of the Relevant Equipment, and (c) failure to comply with quality assurance obligations, being 20% of the price of the Relevant Equipment;

(iii) that Subsidiary ZV shall be entitled to unilaterally terminate the agreement if CCECC refuses to perform the agreement; and

(iv) the quality assurance period being 24 months.

Reasons for the transaction

When we procure the Related Equipment in the ordinary and usual course of our business, we select suppliers by open tenders based on evaluation and selection procedures conducted by a committee comprising of four experts selected by a third party and a representative from our Company taking into account various factors including our business needs, the pricing terms, the service fees charged, the quality of the equipment, payment terms, track record and the industry experience of the suppliers. We adopted the engineering, procurement and construction model and published an announcement in respect of the supplier selection. CCECC has expertise in project contracting, civil engineering design and consultancy, industrial mining, import and export activities. During the Track Record Period, we had procured certain Related Equipment from CCECC and its subsidiaries through the open tender in the construction of the Boguty Project in the ordinary and usual course of our business. We entered into such arrangements with CCECC and its subsidiaries due to the competitiveness of the prices and quality of the equipment offered by it. Further, we have a long-term and stable business relationship with CCECC and its subsidiaries, and therefore CCECC and its subsidiaries are familiar with the construction process and needs, quality standards and requirements of the Boguty Project, and are able to supply the Related Equipment in a timely manner. Our Directors believe that maintaining a stable and quality business relationship with CCECC and its subsidiaries will facilitate our current and future construction of the Boguty Project.

Pricing policy

The purchase price of the Related Equipment shall be determined based on arm's length negotiations between our Company, CCECC and the equipment suppliers based on the estimated fee according to the preliminary design of the Boguty Project with reference to the industry guiding price, the market price and prices available from suppliers who are Independent Third Parties.

The business department of our Company will review the purchase price of the Related Equipment on a regular basis with reference to the market condition and the market rates of comparable products offered by other independent supplier and report to our senior management, if necessary, for their approval of any adjustment, to ensure that the transactions under the Construction Services and Equipment Procurement Framework Agreement are conducted on normal commercial terms.

Historical amounts

Set out below are the approximate historical amounts incurred by our Group and the corresponding percentages of relevant expenses for the procurement of the Related Equipment from CCECC and/or its subsidiaries during the Track Record Period:

	For the year ended December 31,						For the six months ended June 30,	
	2022		2023		2024		2025	
	(HKD in millions)	*%*	*(HKD in millions)*	*%*	*(HKD in millions)*	*%*	*(HKD in millions)*	*%*
Payments for procurement of the equipment	66.0	99	148.7	99	124.2	99	0	0

Annual caps and basis of caps

The proposed annual caps for the procurement of the Related Equipment under the Construction Services and Equipment Procurement Agreement for the years ending December 31, 2025 and 2026 are HK$23.0 million and nil.

In determining the proposed annual caps for the transactions contemplated under the Construction Services and Equipment Procurement Framework Agreement, we have considered, among others, the following key factors:

(a) the amount of the Related Equipment procured by our Group from CCECC in light of the expected completion of construction and the installation and commissioning of the Related Equipment of the Boguty Project, as well as certain additional equipment and facilities installed in relation to the additional construction work undertaken by CCECC, in the year ended December 31, 2024;

(b) the amount settled for the Related Equipment procured in the year ended December 31, 2024, as well as the remaining amount which has not yet been settled in 2024 and will be settled by the end of 2025 by the Group to CCECC for the Related Equipment procured;

(c) as our Company does not intend to procure additional facilities and equipment from CCECC after the completion of the Boguty Project, the annual caps for the year ending December 31, 2026 is nil; and

(d) the expected fluctuation in currency exchange rate as the transaction amounts in the underlying agreements were agreed in RMB.

Listing Rules implications

As the highest applicable percentage ratio of the transactions with respect to the procurement of the Related Equipment under the Construction Services and Equipment Procurement Framework Agreement for the years ending December 31, 2026 calculated for the purposes of Chapter 14A of the Listing Rules is expected to be more than 0.1% but less than 5% on an annual basis, these transactions will be subject to the reporting, annual review, announcement requirements, but will be exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Procurement of production materials

Parties: Jiaxin Zhuhai (as purchaser); and

Jiangxi Copper Dexing Foundry/Jiangxi Copper Yanshan (as supplier, as the case may be).

Principal terms

On August 18, 2025, we have entered into two production materials procurement framework agreements (the "**Production Materials Procurement Framework Agreements**") with Jiangxi Copper Dexing Foundry and Jiangxi Copper Yanshan, respectively:

(i) Jiaxin Zhuhai agreed to purchase and Jiangxi Copper Dexing Foundry agreed to supply processing and production materials as our production and operation may require from time to time, including but not limited to steel balls, mill liner, etc.; and

(ii) Jiaxin Zhuhai agreed to purchase and Jiangxi Copper Yanshan agreed to supply chemicals for the extraction and processing of tungsten as we may require from time to time, including but not limited to collector for scheelite, sodium carbonate, etc..

Each of the Production Materials Procurement Framework Agreements has a term commencing from the date of agreement and ending on December 31, 2027. The parties will enter into separate underlying agreements which will set out the specific terms and conditions for the procurement of production materials under the Production Materials Procurement Framework Agreements.

Reasons for the transaction

Subject to necessary open tenders process of our Company taking into account various factors including our business needs, the pricing terms, the service fees charged, the quality of the production materials, payment terms, track record and the industry experience of the suppliers, it is expected that we will procure processing and production materials and chemicals from Jiangxi Copper Dexing Foundry and/or Jiangxi Copper Yanshan (as the case may be) from time to time in the ordinary and usual course of business, mainly taking into account (i) competitiveness of the prices and quality of the materials and chemicals offered by Jiangxi Copper Dexing Foundry and Jiangxi Copper Yanshan (as the case may be), (ii) a long-term and stable business relationship with Jiangxi Copper and its subsidiaries, (iii) the familiarity of Jiangxi Copper and its subsidiaries with the production and processing needs, quality standards and requirements of our operation. Our Directors believe that maintaining a stable and quality business relationship with Jiangxi Copper and its subsidiaries will facilitate our business growth.

Pricing policy

The purchase price of the production materials and chemicals as contemplated under the Production Materials Procurement Framework Agreements shall be determined based on arm's length negotiations between our Company, and Jiangxi Copper Dexing Foundry and/or Jiangxi Copper Yanshan (as the case may be) with reference to historical and market transaction price, taking into account various factors including but not limited to the type of products, transaction volume and the prices for the procurement of products of similar nature, type and quantity by our Group from Independent Third Parties in the market. The terms are to be no less favorable to our Group compared to those transactions between our Group and Independent Third Parties, which are in the best interests of our Company and our Shareholders as a whole.

The business department of our Company will review the purchase price of such production materials and chemicals as contemplated under the Production Materials Procurement Framework Agreements on a regular basis with reference to the market condition and the market rates of comparable products offered by other independent supplier and report to our senior management, if necessary, for their approval of any adjustment, to ensure that the transactions under the Production Materials Procurement Framework Agreements are conducted on normal commercial terms.

Historical amounts

For the year ended December 31, 2024, the historical transaction amounts incurred by our Group and the corresponding percentages of relevant expenses with respect to the procurement of (i) processing and production materials, and (ii) chemicals for the extraction and processing of tungsten, respectively, as contemplated under the Production Materials Procurement Framework Agreements were as follows:

	For the year ended December 31, 2024		**For the six months ended June 30, 2025**	
	(HKD in millions)	*%*	*(HKD in millions)*	*%*
Procurement of processing and production materials from Jiangxi Copper Dexing Foundry	0.9	100	11.1	100
Procurement of chemicals for the extraction and processing of tungsten from Jiangxi Copper Yanshan	1.7	100	18.7	100

Annual caps and basis of caps

The following table sets forth the proposed annual caps for the transaction amounts to be paid by us to Jiangxi Copper Dexing Foundry and/or Jiangxi Copper Yanshan (as the case may be) under the Production Materials Procurement Framework Agreements:

	Proposed annual caps for the year ending December 31,		
	2025	**2026**	**2027**
		HKD in millions	
Procurement of processing and production materials from Jiangxi Copper Dexing Foundry	31.0	31.0	31.0
Procurement of chemicals for the extraction and processing of tungsten from Jiangxi Copper Yanshan	56.0	56.0	56.0
Total	**87.0**	**87.0**	**87.0**

In determining the proposed annual caps for the transactions contemplated under the Production Materials Procurement Framework Agreements, we have considered, among others, the following key factors:

Procurement of processing and production materials from Jiangxi Copper Dexing Foundry

(a) the historical amounts of the transactions between our Group and Jiangxi Copper Dexing Foundry during the Track Record Period in respect of our procurement of processing and production materials. As we just commenced phase I commercial production in April 2025, the historical amounts incurred by us for procurement of processing and production materials were relatively small during the Track Record Period, while the Company expects a steady increase in its demand for such materials going forward with the expansion in production scale of the Boguty Project;

(b) the expected amount of processing and production materials to be procured by our Group from Jiangxi Copper Dexing Foundry to meet the needs of our future business development;

(c) other factors including but not limited to the expected prices of processing and production materials, with reference to the historical market prices for processing and production materials (for example, historical market prices for steel balls ranging from RMB3,300 to RMB4,900), the inflation forecast as adopted in the Independent Technical Report as set out in Appendix III to this prospectus, and the costs and expenses relating to labor and market trends; and

(d) the expected fluctuation in currency exchange rate as the transaction amounts in the underlying agreements are expected to be agreed in RMB.

Procurement of chemicals for the extraction and processing of tungsten from Jiangxi Copper Yanshan

(a) the historical amounts of the transactions between our Group and Jiangxi Copper Yanshan during the Track Record Period in respect of our procurement of chemicals for the extraction and processing of tungsten. As we just commenced phase I commercial production in April 2025, the historical amounts incurred by us for procurement of chemicals for the extraction and processing of tungsten were relatively small during the Track Record Period, while the Company expects a steady increase in its demand for such materials going forward with the expansion in production scale of the Boguty Project;

(b) the expected amount of procurement of chemicals for the extraction and processing of tungsten by our Group from Jiangxi Copper Yanshan to meet the needs of our future business development;

(c) other factors including but not limited to the expected prices of chemicals for the extraction and processing of tungsten and their potential fluctuations, with reference to the historical market prices for chemicals for the extraction and processing of tungsten (for example, market prices for sodium carbonate ranging from RMB1,500 to RMB3,500), the inflation forecast as adopted in the Independent Technical Report as set out in Appendix III to this prospectus, and the costs and expenses relating to labor and market trends; and

(d) the expected fluctuation in currency exchange rate as the transaction amounts in the underlying agreements are expected to be agreed in RMB.

Listing Rules implications

The transactions pursuant to the Production Materials Procurement Framework Agreements are considered connected under Rule 14A.81 of the Listing Rules and should be aggregated for the purposes of classification as Jiangxi Copper Dexing Foundry and Jiangxi Copper Yanshan are both wholly-owned by Jiangxi Copper, and therefore connected.

As the highest applicable percentage ratio of the transactions with respect to the procurement of (i) processing and production materials; and (ii) chemicals for the extraction and processing of tungsten under the Production Materials Procurement Framework Agreements for the years ending December 31, 2025, 2026 and 2027, on an aggregated basis, calculated for the purposes of Chapter 14A of the Listing Rules is expected to be more than 0.1% but less than 5% on an annual basis, these transactions will be subject to the reporting, annual review, announcement requirements, but will be exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS SUBJECT TO REPORTING, ANNUAL REVIEW, ANNOUNCEMENT, CIRCULAR AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Construction Services and Equipment Procurement Framework Agreement — Construction Services

Parties: CCECC (for itself and for its subsidiaries) (as supplier); and

Our Company (for itself and for its subsidiaries) (as purchaser).

Principal terms

Under the abovementioned Construction Services and Equipment Procurement Framework Agreement, our Group will procure (i) construction and infrastructure mining services, including the construction of mining processing system, mining waste system, ancillary and public system, the general layout and transportation system, and (ii) stripping and mining work in the open pit mining from CCECC and its subsidiaries according to our needs in the construction and mining of the Boguty Project.

Relevant subsidiaries of both parties have separately entered and will enter into specific agreements which set out the specific terms and conditions, including the fees and payment method, construction standards and period, termination clauses and penalty in the events of delay in construction in respect of the relevant transaction in accordance with the principles set out in the Construction Services and Equipment Procurement Framework Agreement.

In particular, Subsidiary ZV has entered into several construction and engineering agreements with CCECC and its subsidiary, the principal terms of which are set out as follows:

(i) the construction period ranging from 578 days to 882 days (from August 1, 2021 to December 31, 2023);

(ii) that Subsidiary ZV shall be entitled to unilaterally terminate the agreement in the event of (a) a material delay in the commencement of construction, (b) a material delay in the progress and completion of construction, or (c) material quality defects in the construction work;

(iii) that CCECC and its subsidiary shall be liable for penalties in the event of delay in construction at a daily rate ranging from 0.01% to 0.1% with a cap of 5% of the total fee amount under the respective agreement; and

(iv) the quality assurance period ranging from two years to the period until expiration of the reasonable use duration.

Reasons for the transaction

When we procure construction services in the ordinary and usual course of our business, we select suppliers by open tenders based on evaluation and selection procedures conducted by a committee comprising of four experts selected by a third party and a representative from our Company taking into account various factors including our business needs, the service fees charged, quality of the services, the license and qualifications, track record and the industry experience of the suppliers. We adopted the engineering, procurement and construction model and published an announcement in respect of the supplier selection. CCECC has expertise in project contracting, civil engineering design and consultancy, industrial mining, import and export activities. During the Track Record Period, we had procured construction services from CCECC and its subsidiaries through the open tender in the ordinary and usual course of our business. We entered into such arrangements with CCECC and its subsidiaries due to the competitiveness of the prices and quality of the services offered by it. Further, we have a long-term and stable business relationship with CCECC and its subsidiaries, and therefore CCECC and its subsidiaries are familiar with the construction process and needs, quality standards and requirements of the Boguty Project, and are able to supply the construction services on a constant basis. Our Directors believe that maintaining a stable and quality business relationship with CCECC and its subsidiaries will facilitate our current and future construction of the Boguty Project.

Pricing policy

The service fees with respect to the construction services provided by CCECC and its subsidiaries shall be determined based on an estimated fee according to the preliminary design of the Boguty Project, with reference to various factors, including (i) availability and cost of raw materials and equipment and machinery, labor and subcontractors; (ii) the local guiding prices (if any) of all kinds of raw materials required for such relevant construction work; (iii) the project schedule, the complexity and scale of the construction project; (iv) the geographical location and environmental conditions of the project site; (v) the market price and prices available from suppliers who are Independent Third Parties; and (vi) the applicable taxation to be borne by CCECC, subject to further adjustments on the occasion of the variation of major technical and economic indicators including floor area, structure and form, major equipment model and import value-added tax.

The business department of our Company will review the pricing for relevant services on a regular basis with reference to the market condition and the market rates of comparable services offered by other independent supplier and report to our senior management, if necessary, for their approval of any adjustment, to ensure that the transactions under the Construction Services and Equipment Procurement Framework Agreement are conducted on normal commercial terms.

Historical amounts

Set out below are the approximate historical amounts incurred by our Group and the corresponding percentages of relevant expenses for the procurement of construction and other services from CCECC and/or its subsidiaries during the Track Record Period:

	For the year ended December 31,						For the six months ended June 30,	
	2022		2023		2024		2025	
	(HKD in millions)	*%*	*(HKD in millions)*	*%*	*(HKD in millions)*	*%*	*(HKD in millions)*	*%*
Construction services paid and payable	249.0	100	607.1	100	260.5	100	28.7	100

Note:

1. The historical amount was calculated based on the annual average exchange rate published by the National Bank of Kazakhstan for each of the three years ended December 31, 2022, 2023 and 2024.

Annual caps and basis of caps

The proposed annual caps for the transactions contemplated under the Construction Services and Equipment Procurement Framework Agreement for the years ending December 31, 2025 and 2026 are HK$266.0 million and HK$100 million.

In determining the proposed annual caps for the transactions contemplated under the Construction Services and Equipment Procurement Framework Agreement, we have considered, among others, the following key factors:

(a) the amount of the construction services procured by our Group for the Boguty Project in the year ended December 31, 2024;

(b) the amount of additional construction work for the Boguty Project to be undertaken by CCECC in response to the demand for development during the construction process in the year ending December 31, 2025;

(c) the expected increase in the average market price of the services and the costs of labor and construction materials in the year ending December 31, 2025;

(d) that our Company expected that certain on-site refining construction work will further be extended to the year ending December 31, 2026, and we therefore expect to procure additional construction services from CCECC in 2026; and

(e) the expected fluctuation in currency exchange rate as the transaction amounts in the underlying agreements were agreed in RMB.

Listing Rules implications

As the highest applicable percentage ratio of the transactions with respect to the construction services under the Construction Services and Equipment Procurement Framework Agreement for the years ending December 31, 2026 calculated for the purposes of Chapter 14A of the Listing Rules is expected to be more than 5% on an annual basis, these transactions will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Mining Services Procurement Agreement

Parties: CCECC Kazakhstan Branch (中國土木工程集團有限公司哈薩克斯坦分公司), a wholly-owned subsidiary of CCECC ("**CCECC Kazakhstan Branch**") (as supplier); and

Subsidiary ZV (as purchaser).

Principal terms

On October 17, 2024, we have entered into a mining services procurement agreement with CCECC Kazakhstan Branch (the "**Mining Services Procurement Agreement**") through open tender, pursuant to which Subsidiary ZV will procure stripping and mining work in the open pit mining from CCECC Kazakhstan Branch according to our needs in the production phase of the Boguty Project.

The Mining Services Procurement Agreement has a term commencing from the date of agreement and ending on the 447th date after the date of agreement, that is, January 7, 2026. The principal terms of the Mining Services Procurement Agreement are set out as follows:

(i) the service period shall last till January 7, 2026, which is expected to cover the demand for mining services of the Boguty Project for the year ending December 31, 2025;

(ii) that Subsidiary ZV shall be entitled to unilaterally terminate the Mining Services Procurement Agreement if the agreement cannot continue to be performed; and

(iii) that CCECC Kazakhstan Branch shall be liable for penalties in the event of delay in provision of services at a daily rate of 0.1% with a cap of 10% of the total fee amount under the Mining Services Procurement Agreement.

Reasons for the transaction

During the production phase of the Boguty Project, we outsource part of the mining services and select suppliers by open tenders based on evaluation and selection procedures conducted by a committee comprising of four experts selected by a third party and a representative from our Company taking into account various factors including our business needs, the service fees charged, quality of the services, the license and qualifications, track record and the industry experience of the suppliers. We published an announcement in respect of the supplier selection. As advised by Frost & Sullivan, subcontracting mining services is not uncommon and is in line with industry practices. Subsidiary ZV has mining management and technical personnel and is responsible for the management and supervision of mining operations, preparation of stripping and mining work plan, delegating stripping and mining tasks, evaluating and managing the stripping volume and assessing the mining and stripping work in accordance with applicable regulations. CCECC Kazakhstan Branch is responsible for completing the mining and stripping tasks in accordance with the plans and under the supervision of Subsidiary ZV. We entered into such arrangements with CCECC Kazakhstan Branch due to its expertise in industrial mining activities and the competitiveness of the prices and quality of the services offered by it. Further, we have a long-term and stable business relationship with CCECC and its subsidiaries, and therefore CCECC and its subsidiaries are familiar with the mining process and needs, quality standards and requirements of the production phase of the Boguty Project, and are able to supply the mining services on a constant basis. Our Directors believe that maintaining a stable and quality business relationship with CCECC and its subsidiaries will facilitate the production phase of the Boguty Project.

Pricing policy

The service fees with respect to the mining services provided by CCECC Kazakhstan Branch shall be determined based on based on arm's length negotiations between Subsidiary ZV and CCECC Kazakhstan Branch based on the market price and prices available from suppliers who are Independent Third Parties.

The business department of our Company will review the pricing for relevant services on a regular basis with reference to the market condition and the market rates of comparable services offered by other independent supplier and report to our senior management, if necessary, for their approval of any adjustment, to ensure that the transactions under the Mining Services Procurement Agreement are conducted on normal commercial terms.

Historical amounts

For the year ended December 31, 2024, the historical transaction amounts incurred by our Group and the corresponding percentages of relevant expenses with respect to the procurement of the mining services as contemplated under the Mining Services Procurement Agreement were as follows:

	For the year ended December 31, 2024		**For the six months ended June 30, 2025**	
	(HKD in millions)	*%*	*(HKD in millions)*	*%*
Procurement of mining services by our Group under the Mining Services Procurement Agreement . .	3.4	100	44.7	100

Annual caps and basis of caps

The proposed annual caps for the procurement of mining services under the Mining Services Procurement Agreement for the years ending December 31, 2025 and 2026 are HK$126.0 million and nil.

The proposed annual caps for the transactions contemplated under the Mining Services Procurement Agreement are determined based on the existing agreement which adopts the pricing basis as set out above and with reference to, among others, (i) the expected demand for mining services to be undertaken by CCECC Kazakhstan Branch under the production phase of the Boguty Project for 2025; (ii) the expected increase in the average market price of the mining services and the costs of labor and raw materials in the year ending December 31, 2025; and (iii) the expected fluctuation in currency exchange rate as the transaction amounts with Mining Service Procurement Agreement were agreed in Kazakhstan Tenge.

Listing Rules implications

As the highest applicable percentage ratio of the transactions with respect to the Mining Services Procurement Agreement for the years ending December 31, 2025 calculated for the purposes of Chapter 14A of the Listing Rules is expected to be more than 5% on an annual basis, these transactions will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

3. Scheelite Sales Agreement

Parties: Subsidiary ZV (as supplier); and

Jiangxi Copper Hong Kong Company Limited ("**JCHK**", as purchaser).

Principal terms

On April 2, 2025, Subsidiary ZV have entered into a restated scheelite sales agreement with JCHK (the "**Scheelite Sales Agreement**") (which was further amended by a supplemental agreement dated July 31, 2025 between the relevant parties), pursuant to which Subsidiary ZV will supply certain amount of scheelite concentrate to JCHK.

The Scheelite Sales Agreement has a term commencing from the date of agreement and ending on completion of the sales transactions contemplated thereunder, which is expected to be June 2025. The principal terms of the Scheelite Sales Agreement are set out as follows:

(i) Subsidiary ZV agreed to sell, and JCHK agreed to purchase at its discretion and option, approximately 1,650 tonnes of scheelite concentrate containing 65% WO_3 (the "**Products**"). The Products are expected to be delivered from Kazakhstan in batch of 140 tonnes each month from January 2026 to December 2026. Unless agreed in writing by JCHK, such delivery of the Products shall be completed by December 31, 2026;

(ii) The delivery of the Products shall be carried out by truck, and Subsidiary ZV will bear the costs for transportation and related insurance costs, while JCHK or its designated third party shall be responsible for customs clearance and bear the related costs and taxes arising therefrom;

(iii) The detailed sales price of the Products shall be agreed and determined by December 31, 2025. JCHK agreed to make a pre-payment of RMB200 million to Subsidiary ZV (the "**Pre-paid Amount**"), which will be settled in three instalments, being (1) a first installment of RMB100 million settled by JCHK before January 6, 2025, (2) a second installment of RMB50 million settled by JCHK before May 15, 2025, and (3) a third installment of RMB50 million to be further paid by JCHK upon written request from Subsidiary ZV;

(iv) The Parties further agreed that (1) in the event where JCHK has paid RMB150 million as part of the Pre-paid Amount, Subsidiary ZV agreed to provide a direct deduction of RMB7049.83 per ton or such equivalent USD amount on the sales price of the Products; and (2) in the event where JCHK has settled in part or in full of the third installment of the Pre-paid Amount, Subsidiary ZV agreed to provide a direct deduction of RMB8790.57 per ton or such equivalent USD amount on the sales price of the Products;

(v) Subsidiary ZV shall deliver the first batch of Products in January 2026, and shall discuss with JCHK in advance at the beginning of each month as to the delivery amount of the Products and the corresponding amount to be deducted from the

Pre-paid Amount. If JCHK expected that there will still be certain amount remaining after such deduction of the Pre-paid Amount after December 31, 2026, JCHK is entitled to notify Subsidiary ZV, by the end of November 2026, to extend the deadline for delivery; and

(vi) Subsidiary ZV may terminate the supply of the Products if (1) for the period from the date of the Scheelite Sales Agreement up to December 31, 2025, it provides JCHK with 10 working days' written notice in advance; and (2) since December 31, 2025, it provides JCHK with 10 working days' written notice in advance and pays a fee as prescribed in the Scheelite Sales Agreement.

Reasons for the transaction

Our Company has first commenced the trial production of the Boguty Project in November 2024. As Jiangxi Copper has solid industry experience and expertise, our Company has entered into such arrangements with JCHK, a wholly-owned subsidiary of Jiangxi Copper, in April 2025. Since Jiangxi Copper are familiar with the mining process and quality standards of the Boguty Project, our Directors believe that maintaining a quality business relationship with JCHK will facilitate our business development. In addition, the arrangement around the Pre-paid Amount will also supplement our working capital for continuous exploration and production.

Pricing policy

The price of the Products supplied under the Scheelite Sales Agreement shall be determined based on arm's length negotiations between our Company and JCHK based on the market price of the scheelite concentrate.

The business department of our Company will review the price of the Products supplied under the Scheelite Sales Agreement on a regular basis with reference to the market condition and the market rates of scheelite concentrate offered by other suppliers in the market and report to our senior management, if necessary, for their approval of any adjustment, to ensure that the transactions under the Scheelite Sales Agreement are conducted on normal commercial terms.

Historical amounts

There was no historical amount for the Scheelite Sales Agreement during the Track Record Period.

Annual caps and basis of caps

No transaction amount is expected to be incurred under the Scheelite Sales Agreement for the year ending December 31, 2025. The proposed annual cap for the supply of scheelite concentrate under the Scheelite Sales Agreement for the year ending December 31, 2026 is RMB250 million.

The proposed annual cap for the transactions contemplated under the Scheelite Sales Agreement is determined based on the existing agreement which adopts the pricing basis as set out above and with reference to, among others, (i) the expected production volume of scheelite concentrate by our Boguty tungsten mine for 2025 and 2026; and (ii) the expected increase in the market price of the scheelite concentrate.

Listing Rules implications

As the highest applicable percentage ratio of the transactions with respect to Scheelite Sales Agreement for the years ending December 31, 2026 calculated for the purposes of Chapter 14A of the Listing Rules is expected to be more than 5% on an annual basis, these transactions will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

WAIVER APPLICATION FOR NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

The transactions under the sub-sections headed "— Non-exempt continuing connected transactions subject to reporting, annual review and announcement requirements" and "— Non-exempt continuing connected transactions subject to reporting, annual review, announcement, circular and independent Shareholders' approval requirements" will constitute our continuing connected transactions subject to those requirements under Chapter 14A of the Listing Rules.

As those non-exempt continuing connected transactions are expected to continue on a recurring and continuing basis and have been fully disclosed in this prospectus, our Directors consider that compliance with the announcement and/or independent Shareholders' approval requirements (as the case may be) would be impractical, and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with (i) the announcement requirement under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "— Non-exempt continuing connected transactions subject to reporting, annual review and announcement requirements" in this section; and (ii) the announcement, circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the continuing connected transactions as disclosed in "— Non-exempt continuing connected transactions subject to reporting, annual review, announcement, circular and independent Shareholders' approval requirements" in this section, subject to the condition that the aggregate amounts of the continuing connected transactions for each financial year shall not exceed the relevant amounts set forth in the respective annual caps (as stated above).

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transactions referred to in this prospectus, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

CONFIRMATION FROM OUR DIRECTORS

Our Directors (including our independent non-executive Directors) are of the view that the non-exempt continuing connected transactions as set out above have been and will be carried out in our ordinary and usual course of business and on normal commercial terms or better, and these are conducted in accordance with the respective terms that are fair and reasonable and in the interest of us and our Shareholders as a whole, and the proposed annual caps for those continuing connected transactions are fair and reasonable and in the interest of us and our Shareholders as a whole.

CONFIRMATION FROM THE SOLE SPONSOR

The Sole Sponsor is of the view that (i) the non-exempt continuing connected transactions as set out above have been and will be carried out in the ordinary and usual course of business of the Company and on normal commercial terms or better, and these are conducted in accordance with the respective terms that are fair and reasonable in the interests of the Company and the Shareholders as a whole, and (ii) the proposed annual caps for such continuing connected transactions are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

OVERVIEW

Our Board consists of eight Directors, comprising three executive Directors, two non-executive Directors and three independent non-executive Directors. The powers and duties of the Board include convening general meetings, determining our Group's business plans and investment plans, implementing our Group's established line of business, formulating our Group's annual budget and final accounts, formulating proposals for profit distributions and the increase or reduction of share capital as well as exercising other powers, functions and duties as conferred by our Articles of Association.

The senior management of our Group includes those of our Company and our major subsidiaries.

DIRECTORS AND SENIOR MANAGEMENT

The table below sets forth certain information of our Directors:

Name	Age	Position	Main duties	Date of joining our Group	Date of appointment as a Director	Relationship with other Directors and senior management
Chairman of the Board and Executive Director						
Mr. LIU Liqiang (劉力強)	62	Chairman of the Board and executive Director	Responsible for the overall strategic planning and business development of our Group	August 29, 2014	November 8, 2019	Uncle of Mr. QIU Huaizhi
Executive Directors						
Mr. WANG Zhongwei (汪中偉)	51	Executive Director and chief executive officer of our Company, and general director and general manager of Subsidiary ZV	Responsible for the daily operations and management of the Group, including the overall management of project engineering and construction, geological exploration, and mining and beneficiation activities	December 16, 2020	May 31, 2021	None

Name	Age	Position	Main duties	Date of joining our Group	Date of appointment as a Director	Relationship with other Directors and senior management
Mr. QIU Huaizhi (邱懷智)	35	Executive Director and assistant to chief executive officer	Participating in the formulation of business plans, strategies and major decisions of our Group through the Board, and responsible for the operational management and Hong Kong affairs of our Group	April 4, 2019	November 8, 2019	Nephew of Mr. LIU Liqiang
Non-executive Directors						
Mr. ZHA Kebing (查克兵)	55	Non-executive Director	Participating in the formulation of business plans, strategies and major decisions of our Group through the Board	November 8, 2019	November 8, 2019	None
Ms. LIAN Jie (連潔)	38	Non-executive Director	Participating in the formulation of business plans, strategies and major decisions of our Group through the Board	June 14, 2022	June 14, 2022	None
Independent Non-executive Directors						
Mr. ZHU Guoshan (朱國山)	61	Independent non-executive Director	Supervising and offering independent judgment to the Board and serving as chairman/members of certain committees of the Board	August 20, 2025[1]	August 20, 2025	None
Mr. WANG Jianfeng (王劍鋒)	41	Independent non-executive Director	Supervising and offering independent judgment to the Board and serving as chairman/members of certain committees of the Board	August 20, 2025[1]	August 20, 2025	None
Mr. WONG Hok Bun Mario (黃學斌)	45	Independent non-executive Director	Supervising and offering independent judgment to the Board and serving as chairman/members of certain committees of the Board	August 20, 2025[1]	August 20, 2025	None

Note:

(1) The appointment of Mr. ZHU Guoshan, Mr. WANG Jianfeng and Mr. WONG Hok Bun Mario as our independent non-executive Directors will take effect on the date of this prospectus.

The table below sets forth certain information of our senior management:

Name	Age	Position	Main duties	Date of joining our Group	Date of appointment as a senior management	Relationship with other Directors and senior management
Mr. WANG Zhongwei (汪中偉)	51	Executive Director and chief executive officer of our Company, and general director and general manager of Subsidiary ZV	Responsible for the daily operations and management of our Group, including the overall management of project engineering and construction, geological exploration, mining and beneficiation activities	December 16, 2020	December 16, 2020	None
Mr. LIU Peng (劉鵬)	45	Chief financial officer of our Company and Subsidiary ZV	Responsible for the overall financial affairs of our Company and Subsidiary ZV	January 9, 2020	January 9, 2020	None
Mr. QIU Huaizhi (邱懷智)	35	Executive Director, assistant to chief executive officer	Responsible for the operational management and Hong Kong affairs of our Group	April 4, 2019	January 9, 2020	Nephew of Mr. Liu Liqiang
Mr. ZHAO Yingfeng (趙迎鋒)	46	Deputy general manager of Subsidiary ZV	Responsible for managing the procurement of production and exploration equipment, production preparation, sales management and human resources of the Boguty Project	January 9, 2020	January 9, 2020	None
Mr. CHEN Bo (陳波)	45	Deputy general manager of Subsidiary ZV	Responsible for the construction of the tungsten mines in the Boguty Project	January 9, 2020	January 9, 2020	None
Mr. ZHOU Xu (周旭)	40	Deputy general manager of Subsidiary ZV	Responsible for geological exploration, company mining production and technology management and corporate culture building of the Boguty Project	July 5, 2021	July 5, 2021	None

Name	Age	Position	Main duties	Date of joining our Group	Date of appointment as a senior management	Relationship with other Directors and senior management
Mr. ZHENG Wenyi (鄭文義)	54	Administrative manager and supervisor of Jiaxin Zhuhai	Responsible for the management of administrations and legal affairs of our group companies	April 1, 2016	January 9, 2020	None
Mr. ZHANG Shengyi (張勝義)	68	Assistant to general manager of Subsidiary ZV	Responsible for assisting the general manager and the deputy general manager in charge to manage the technical work and ESG work, assisting in the corporate management work such as job duties, staff training, and the construction of our Company's management system, and responsible for the application of new technologies after the production commissioning of the Boguty Project	February 11, 2019	January 9, 2020	None

Directors

Chairman of the Board and Executive Director

Mr. LIU Liqiang (劉力強), aged 62, was appointed as the chairman of the Board and a Director on November 8, 2019 and was designated as an executive Director of the Company in January 2024. Mr. Liu founded the Company in August 2014, and served as a Director from August 2014 to March 2017.

Mr. Liu has 31 years of experience in corporate management. Prior to founding the Company, he founded Zhuhai Huayue Investment Company Limited (珠海市華粵投資有限公司) in March 1993 and served as its authorized representative and the general manager from March 1993 to August 2014. He has served as vice chairman of the board and non-executive director of Zhuhai Hengqin Zhongyou Gas Station Sales Co., Ltd. (珠海橫琴中油加油站經營有限公司) since October 1999.

Mr. Liu is one of the founders of Zhuhai Shanwei Chamber of Commerce (珠海市汕尾商會) and has served as its honorary chairman since its foundation in January 2018.

Mr. Liu had been the legal representative or director of the following companies who was struck off or whose business licenses were revoked, with details as follows:

Name of company	Position held in the company	Place of incorporation	Time of incorporation	Time of revocation/ striking off
Zhuhai Wanteng Industry Co., Ltd. (珠海市萬騰實業有限公司)	Legal representative	Guangdong Province, the PRC	July 25, 1997	2005
Xinhui Jiachen Modern Agriculture Co., Ltd. (新會嘉琛現代農業有限公司)	Legal representative	Guangdong Province, the PRC	June 24, 1999	2014
Zhuhai Huayue Investment Group Limited (珠海市華粵投資集團有限公司)	Legal representative	Guangdong Province, the PRC	December 22, 2000	2015
Gaintek Development Limited (敬達發展有限公司)	Director	Hong Kong	March 19, 1997	2022

Mr. Liu confirmed that each of (i) the revocation of business license of Zhuhai Wanteng Industry Co., Ltd., (ii) the revocation of business license of Xinhui Jiachen Modern Agriculture Co., Ltd., (iii) the revocation of business license of Zhuhai Huayue Investment Group Limited, and (iv) the striking off of Gaintek Development Limited was due to close of business but the company did not timely make the required filing. Based on their review of the relevant documents and foregoing confirmation provided by Mr. Liu Liqiang, our PRC Legal Advisors is of the view that there was no (a) wrongful act, omission, misconduct or misfeasance on Mr. Liu's part that led to the revocation of business licenses of Zhuhai Wanteng Industry Co., Ltd., Xinhui Jiachen Modern Agriculture Co., Ltd., and Zhuhai Huayue Investment Group Limited; or (b) actual or potential claim that had been or will be made against Mr. Liu as a result of the revocation of business licenses of the relevant companies. Based on the corporate records reviewed and confirmation provided by Mr. Liu, our Hong Kong Legal Advisors is of the view that (a) there is not incontrovertible evidence or facts to substantiate any wrongful act, omission, misconduct, or misfeasance by Mr. Liu Liqiang that led to the striking off of Gaintek Development Limited, and (b) there is no disciplinary action or claim against Mr. Liu, and there is no ground to anticipate any actual or potential claim against Mr. Liu resulting from the striking off of Gaintek Development Limited.

To the best knowledge of Mr. Liu, there has been no claim or legal proceeding made or commenced against him. Mr. Liu confirmed that he did not incur any debt and/or liabilities because of the striking off or revocation of business license of the above companies, and that the striking off or the revocation of business license of the above companies did not have any negative effect on our Group.

Executive Directors

Mr. WANG Zhongwei (汪中偉), aged 51, was appointed as a Director in May 2021, the chief executive officer of the Company and the general manager of Subsidiary ZV on December 16, 2020, and was designated as an executive Director of the Company in January 2024.

Mr. Wang has 30 years of experience in the mining industry. Prior to joining the Group, he had the following work experiences:

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Jiangxi Copper . .	Copper and other non-ferrous metals mining and dressing, smelting and processing	Director of processing plant and deputy director of Dexing Copper Mine (德興銅礦)	July 1994 to January 2020	Responsible for the production, operation and management of the mining and beneficiation of copper, gold, silver, molybdenum, sulfur and other minerals at Dexing Copper Mine
Jiangxi Copper Group Yinshan Mining Limited (江西銅業集團銀山礦業有限責任公司)	Production, operation and management of the mining and beneficiation of copper and other non-ferrous metals at Yinshan Mine	Standing deputy general manager	January 2020 to December 2020	Responsible for the production, operation and management of the mining and beneficiation of copper, lead, zinc, gold, silver, sulfur and other minerals at Yinshan Mine

Mr. Wang obtained a college's degree in processing engineering from Changsha High Industry College (長沙工業高等專科學校) (a predecessor of Central South University (中南大學)) in Hunan Province, the PRC in June 1994. He graduated with a major in computer science and technology (correspondence course) from Nanchang Hangkong Industrial Institute (南昌航空工業學院) (the predecessor of Nanchang Hangkong University (南昌航空大學)) in Jiangxi

Province, the PRC in January 2007. He obtained the title of Senior Processing Engineer (選礦高級工程師) from Jiangxi Province Human Resources and Social Security Department (江西省人力資源和社會保障廳) in November 2011. Mr. Wang was awarded the First Prize of Science and Technology of China Nonferrous Metals Industry (中國有色金屬工業科學技術一等獎) with his paper headed "Research on New Technology for Improving the Grade of Copper Concentrate in Dexing Copper Mine" (《提高德興銅礦铜精礦品位新技術研究》) in December 2002, the First Prize of Science and Technology of China Nonferrous Metals Industry (中國有色金屬工業科學技術一等獎) with his paper headed "Research on 200M^3 Inflatable Mechanical Stirring Flotation Machine" (《200M^{3}充氣機械攪拌式浮選機研究》) in December 2010, the Second Prize of Science and Technology of China Nonferrous Metals Industry (中國有色金屬工業科學技術二等獎) with his paper headed "Development and Application of Model MA Magnetic Arc" (《MA型磁力弧研製及應用》) in December 2012, the Second Prize of Science and Technology of China Nonferrous Metals Industry (中國有色金屬工業科學技術二等獎) with his paper headed "BK Series Large-Scale Ore Slurry Adjusting and Stirring Tank" (《BK系列大型礦漿調漿攪拌槽》) in December 2013, and the Third Prize of Science and Technology Advancement Award of Jiangxi Province (江西省科學技術進步獎三等獎) with his paper headed "Research and Application of Key Technology for High-efficiency Beneficiation of Copper and Accompanying Molybdenum in Porphyry Copper Ore" (《斑岩型銅礦及伴生鉬高效選礦關鍵技術研究與應用》) in June 2015.

Mr. QIU Huaizhi (邱懷智), aged 35, was appointed as a Director on November 8, 2019 and the assistant to chief executive officer of the Company in October 2022, and was designated as an executive Director of the Company in January 2024. Mr. Qiu joined the Company in April 2019 and served as the secretary to the Board from January 2020 to October 2022.

Mr. Qiu has 11 years of experience in investment and corporate management. Prior to joining the Group, he served as an investment manager of Chengzhongheng Asset Management (Shenzhen) Company Limited (誠中恒資產管理(深圳)有限公司) from November 2013 to April 2016. He then served as the secretary to the president's office of Wanlitong Financial Services (Shenzhen) Company Limited (萬利通金融服務(深圳)有限公司) from December 2016 to December 2018. He has served as the non-executive director of Zhuhai Hengqin Zhongyou Gas Station Sales Co., Ltd. (珠海橫琴中油加油站經營有限公司) and Ever Trillion since February 2017 and September 2021, respectively.

Mr. Qiu obtained a bachelor's degree in finance from Shenzhen University (深圳大學) in Guangdong Province, the PRC in June 2012, and a master's degree in finance and investment from the University of Leeds in the United Kingdom in November 2013.

Non-executive Directors

Mr. ZHA Kebing (查克兵), aged 55, was appointed as a Director on November 8, 2019 and was designated as a non-executive Director in January 2024.

Mr. Zha has 35 years of experience in the mining industry. He has been working at Jiangxi Copper and its subsidiaries since July 1989, where he has served consecutively as (i) a technician, a section chief, a chief of the production planning section, a chief engineer, a deputy mining field chief, the mining field chief of Dexing Copper Mine from July 1989 to April 2003, the executive deputy manager of Fujiawu (富家塢) project managerial department from April 2003 to November 2005, the mine manager of Chengmenshan Copper Mine (城門山銅礦) from November 2005 to July 2007, (ii) the deputy chief engineer of Jiangxi Copper Corporation Limited from July 2007 to December 2013, (iii) the assistant to general manager of Jiangxi Copper and vice chairman of the board of Minmetals Jiangtong Mining Investment Limited (五礦江銅礦業投資有限公司) since December 2013, and (iv) chairman of the board of Jiangxi Copper International (Istanbul) Mining Investment Company Limited (江銅國際礦業投資(伊斯坦布爾)股份有限公司) and Nesko Metal Sanayi Ve Ticaret Anonim Şirketi and the assistant to general manager and the general manager of the strategic investment department of Jiangxi Copper since February 2022.

Mr. Zha obtained a bachelor's degree in engineering and a master's degree in mining engineering from Central South University of Technology (中南工業大學) (a predecessor of the Central South University (中南大學)) in Hunan Province, the PRC in July 1989 and December 2003, respectively. Mr. Zha obtained the title of senior engineer (高級工程師) from the State Bureau of Nonferrous Metals Industry (國家有色金屬工業局) in December 1999.

Ms. LIAN Jie (連潔), aged 38, was appointed as a Director on June 14, 2022 and designated as a non-executive Director in January 2024.

Ms. Lian has 13 years of experience in the investment in the mining industry. She worked successively in the East Africa investment department, management department, South Africa investment department, investment department II (i.e., the mining and metals investment department) at China-Africa Development Fund (中非發展基金) from July 2011 to July 2019. She has been working at CRCC and its subsidiaries since May 2020, where she has served as the deputy general manager of the mineral resources division of CRCCII and concurrently as the vice chairman of the board of CRCC Tongguan Investment Company Limited (中鐵建銅冠投資有限公司) since May 2022. She has also served as a director at Cardinal Resources Ghana Limited (卡蒂諾資源加納有限公司) and Cardinal Namdini Mining Limited (卡蒂諾納米迪尼礦業有限公司) since November 2022.

Ms. Lian obtained a bachelor's degree in economics from Nankai University (南開大學) in Tianjin, the PRC in June 2009 and a master's degree in economics from University College London in the UK in November 2010. She obtained the PRC Legal Professional Qualification Certificate (中華人民共和國法律職業資格證書) from Ministry of Justice of the PRC (中華人民共和國司法部) in April 2022, and the title of intermediate economist (finance) (中級經濟師) from the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部) in November 2017.

Independent Non-executive Directors

Mr. ZHU Guoshan (朱國山), aged 61, was appointed as an independent non-executive Director on August 20, 2025.

Mr. Zhu has 40 years of experience in the production and project management in the mining industry. He served consecutively as the director of the production and technology department, the director of the comprehensive planning department, deputy mining manager and executive deputy mining manager of Dexing Copper Mine of Jiangxi Copper from July 1984 to November 2007. He then served consecutively as the general manager, the assistant to the chairman of the board and the chairman of the professional and technical committee of Yunnan Haulian Zinc & Indium Stock Co., Ltd. (雲南華聯鋅銦股份有限公司) from November 2007 to April 2023. Mr. Zhu served as a Member of the Standing Committee of Maguan County People's Congress (馬關縣人民代表大會常務委員會委員) in January 2008. He has served as a master's degree advisor of the mining engineering program at the Kunming University of Science and Technology – Yunnan Haulian Zinc and Indium Stock Co., Ltd. Joint Cultivation Base for Geological and Mining Talents (昆明理工大學 – 雲南華聯鋅銦股份有限公司地礦人才聯合培養基地) since January 2017, and the Non-coal Mining Expert (非煤礦山專家) of Department of Emergency Management of Yunnan Province (雲南省應急管理廳) since June 2023.

Mr. Zhu obtained a bachelor's degree in mining from Jiangxi School of Metallurgy (江西冶金學院) (currently known as Jiangxi University of Science and Technology (江西理工大學)) in Jiangxi Province, the PRC in July 1984. He obtained the title of Professor Senior Engineer (教授級高級工程師) from Jiangxi Province Human Resources and Social Security Department in December 2007. Mr. Zhu was awarded the Third Prize of Outstanding Professional and Technician with Outstanding Contribution (有突出貢獻優秀專業技術人才) by People's Government of Yunnan Province (雲南省人民政府) in October 2010, and Professional and Technician with Outstanding Contribution of Yunan Province (雲南省有突出貢獻專業技術人才) by Wenshan Talent Work Leading Group (文山州人才工作領導小組) in December 2021. He was awarded the Second Prize of Metallurgical Science and Technology Award (冶金科學技術獎) with his scientific achievement "Technological Research on Safe Operation of Tailings Storage Facility (《尾礦庫安全運行技術研究》)" in July 2002, the Third Prize of Science and Technology Award of Anhui Province (安徽省科學技術獎三等獎) with his scientific achievement "Study on Rigid Pavement for Mining Super Heavy Duty Vehicles" (《礦用超重載汽車剛性路面研究》) in April 2003, and the Second Prize of National Safety Production and Technology Contribution Award (國家安全生產科技成果獎) with his scientific achievement "Research on the Safety and Stability of High Stage Earth Discharge and Optimization of Parameters of Earth Discharge and Heap Leach in Open Pit Mines (《露天礦排土場高臺階排土安全穩定性與堆浸排土參數優化研究》)" in December 2006, the Chinese Non-ferrous Metal Industry Science and Technology Award (中國有色金屬工業科學技術獎) with his scientific achievement "Research and Engineering Demonstration of Water Conservation and Pollution Control Technology for Large-scale Mines (《大型礦業節水治污技術綜合集成研究與工程示範》)" in January 2007 and the Science and Technology Advancement Award of Jiangxi Province (江西省科學技術進步獎) with his scientific achievement "Comprehensive Study and Application for Stabilization of Production in Extra-large Open Pit Mines (《特大型露天礦山穩產綜合研究與應用》)" in March 2008.

Mr. WANG Jianfeng (王劍鋒), aged 41, was appointed as an independent non-executive Director on August 20, 2025.

Mr. Wang has 19 years of experience in corporate and project management in the mining industry. He previously served as the business manager of China Minmetals Non-ferrous Metals Co., Ltd. (五礦有色金屬股份有限公司) from August 2005 to April 2013. He served as the general manager of Album Trading Company Limited (五礦澳門愛邦貿易有限公司) from April 2013 to June 2018. He then served as the general manager of the raw materials department of Minmetals Cheerglory Limited (五礦企榮有限公司) from June 2018 to February 2023. He has served as the partner of Hong Kong Qincheng Commercial Co., Limited (香港親誠商業有限公司) since October 2023.

Mr. Wang obtained a bachelor's degree in Spanish from Beijing Language and Culture University (北京語言大學) in Beijing, the PRC in July 2005 and a master's degree in business administration from Peking University (北京大學) in Beijing, the PRC in July 2012.

Mr. WONG Hok Bun Mario (黃學斌), aged 45, was appointed as an independent non-executive Director on August 20, 2025.

Mr. Wong has 23 years of experience in auditing, accounting, financial management and corporate finance. He worked at KPMG from August 2001 to May 2008 with his last position being a manager of the auditing department. He then worked at Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司) (a company listed on Hong Kong Stock Exchange (stock code: 2899) and Shanghai Stock Exchange (stock code: 601899)) from September 2008 to December 2010 and served as the deputy general manager of its financial department, the financial controller and the company secretary of its associated company Monterrico Metals Plc. He then served as the financial controller of CST Group Limited (中譽集團有限公司) (a company previously listed on Hong Kong Stock Exchange (previous stock code: 0985)) from December 2010 to July 2014. He then served consecutively as the vice president from March 2015 to December 2015, the company secretary from July 2015 to August 2018, the executive director and the chief financial officer from December 2015 to August 2018 of Theme International Holdings Limited (榮暉國際集團有限公司) (a company listed on Hong Kong Stock Exchange (stock code: 0990), the name of which has now been changed to Deep Source Holdings Limited (至源控股有限公司) since June 30, 2025). He then served as the chief financial officer and the company secretary of Jinchuan Group International Resources Co. Ltd (金川集團國際資源有限公司) (a company listed on Hong Kong Stock Exchange (stock code: 2362)) from August 2018 to June 2023. He concurrently served as an independent non-executive director of Good Resources Holdings Limited (a company previously listed on Hong Kong Stock Exchange (previous stock code: 0109)) from May 2017 to June 2022. He has served as the chief financial officer of Chifeng Jilong Gold Mining Co., Ltd. (赤峰吉隆黃金礦業股份有限公司) (a company listed on Shanghai Stock Exchange (stock code: 600988)) since July 2023 and an independent non-executive director of Deep Source Holdings Limited (至源控股有限公司) (a company listed on Hong Kong Stock Exchange (stock code: 990)) since December 6, 2024.

Mr. Wong obtained the degree of Bachelor of Economics and Finance from The University of Hong Kong in November 2001. He has been a fellow member of the Hong Kong Institute of Certified Public Accountants since July 2005, a member of CFA Institute since December 2008 and a member of The Australasian Institute of Mining and Metallurgy since May 2015.

Mr. Wong was an independent non-executive director of Good Resources Holdings Limited (天成國際集團控股有限公司, a company previously listed on the Stock Exchange (stock code: 109) ("**Good Resources**")) from May 2017 to May 2022.

The Stock Exchange decided to cancel the listing of Good Resources with effect from May 4, 2022 as Good Resources failed to fulfill all the resumption guidance as requested by the Stock Exchange, including, among others, to investigate certain loan transactions, pledge contracts, purported subscription of wealth management products and other material unauthorized financial assistance (the "**Relevant Matters**")). On October 5, 2022, the Listing Committee of the Stock Exchange (the "**Listing Committee**") issued a statement of disciplinary action (the "**Statement**"), in which the Listing Committee found that (i) Good Resources breached Rules 14.34, 14.38A and 14.40 of the Listing Rules, and (ii) Mr. Chen Chuanjin, the chairman and an executive director of Good Resources, breached his director's duties under Rule 3.08 and his Director's Undertaking to the Stock Exchange, and the Listing Committee therefore decided to censure Good Resources and impose a Director Unsuitability Statement against Mr. Chen Chuanjin.

The Stock Exchange confirmed in the Statement that the above sanctions apply only to Good Resources and Mr. Chen Chuanjin and not to other past or present directors of Good Resources, including Mr. Wong. According to a letter of no further action dated October 6, 2022 issued by the Stock Exchange to Mr. Wong, the Stock Exchange confirmed that having considered the circumstances and the materials presented in relation to the Relevant Matters, the Stock Exchange would not be taking further action against Mr. Wong. Based on the foregoing and as confirmed by Mr. Wong, he had no involvement in the Relevant Matters that led to the cancellation of listing of Good Resources.

Senior Management

For details of the biography of Mr. WANG Zhongwei and Mr. Qiu Huaizhi, see "— Directors — Executive Directors" in this section.

Mr. LIU Peng (劉鵬), aged 45, was appointed as the chief financial officer of the Company and Subsidiary ZV on January 9, 2020.

Mr. Liu has 23 years of experience in the accounting and financial management in the mining industry. Prior to joining the Group, he had the following work experiences:

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Jiangxi Copper . . .	Same as above	Accountant at the financial department	July 2001 to May 2007	Responsible for the accounting of procurement of raw material, materials and spare parts in the exploration and extraction activities of copper mines of Jiangxi Copper
Jiangxi Copper . . .	Same as above	Cost and expense manager of the corporate finance department	May 2007 to April 2014	Responsible for calculating and compiling the profit and cost, cost control and tax management and planning in the exploration and extraction activities of copper mines of Jiangxi Copper
Nesko Metal Sanayi Ve Ticaret Anonim Şirketi	Operation of overseas copper mines managed by Jiangxi Copper	Finance manager	April 2014 to March 2018	Responsible for the financial work in the exploration and extraction activities of the BERALB mine of Jiangxi Copper

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Zhejiang Jiangtong Fuye Heding Copper Company Limited (浙江江銅富冶和鼎銅業有限公司)	The company is the second largest copper smelter of Jiangxi Copper with an annual output of 400,000 tonnes of copper cathode	Financial controller	March 2018 to November 2019	Responsible for the overall finance affairs of the company

Mr. Liu obtained a bachelor's degree in accounting from South-Central Minzu University (中南民族大學) in Hubei Province, the PRC in June 2001. He obtained the title of senior accountant (高級會計師) from the National Accounting Evaluation Center of Ministry of Finance of PRC (中華人民共和國財政部會計財務評價中心) in December 2018.

Mr. ZHAO Yingfeng (趙迎鋒), aged 46, was appointed as the deputy general manager of Subsidiary ZV on January 9, 2020.

Mr. Zhao has 24 years of experience in the mining industry. Prior to joining the Group, he had the following work experiences:

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Jiangxi Copper . . .	Same as above	Principal engineer of processing plant and deputy director of Yongping Copper Mine (永平銅礦)	July 2000 to December 2019	Responsible for the overall management of the processing plant in relation to the extraction and processing of the copper mines of Yongping Copper Mine

Mr. Zhao obtained a bachelor's degree in processing engineering from South Metallurgy College (南方冶金學院) (a predecessor of Jiangxi University of Science and Technology (江西理工大學)) in Jiangxi Province, the PRC in June 2000, and a master's degree in mining engineering from Jiangxi University of Science and Technology in June 2013. He obtained the title of senior processing engineer (選礦高級工程師) from Jiangxi Province Human Resources and Social Security Department (江西省人力資源和社會保障廳) in November 2020. He was awarded the Second Prize of Science and Technology of China Nonferrous Metals Industry (中國有色金屬工業科學技術二等獎) by China Nonferrous Metals Industry Association (中國有色金屬工業協會) and the Nonferrous Metals Society of China (中國有色金屬學會) in January 2010, the Third Prize of Science and Technology Award of Beijing (北京市科學技術獎三等獎) by the People's Government of Beijing Municipality in December 2012, and the Second Prize of Science and Technology of China Nonferrous Metals Industry (中國有色金屬工業科學技術二等獎) by China Nonferrous Metals Industry Association and the Nonferrous Metals Society of China in December 2014.

Mr. CHEN Bo (陳波), aged 45, was appointed as the deputy general manager of Subsidiary ZV on January 9, 2020.

Mr. Chen has 24 years of experience in the mining industry. Prior to joining the Group, he had the following work experiences:

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Jiangxi Copper . . .	Same as above	Section clerk of engineering department of Dexing Copper Mine	July 2000 to July 2003	Responsible for the construction management of building and installation works during the exploration activities of copper mines of Dexing Copper Mine

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Jiangxi Copper . . .	Same as above	Deputy director of engineering department of Fujiawu project of Dexing Copper Mine	July 2003 to December 2014	Responsible for construction management of building and installation works during the exploration activities of copper mines of Fujiawu mining zone
Jiangxi Copper . . .	Same as above	Director of engineering management department of Dexing Copper Mine	December 2014 to December 2019	Responsible for the implementation and management of the maintenance and inspection project during the exploration and extraction activities of copper mines of Dexing Copper Mine

Mr. Chen obtained a bachelor's degree in architectural engineering from Central South University (中南大學) in Hunan Province, the PRC in July 2000. He obtained the title of senior engineer (高級工程師) from Jiangxi Province Human Resources and Social Security Department (江西省人力資源和社會保障廳) in November 2018. He was awarded the First Prize of Science and Technology Advancement Award of Guangdong Province (廣東省科學技術進步一等獎) by the People's Government of Guangdong Province in February 2020.

Mr. ZHOU Xu (周旭), aged 40, was appointed as the deputy general manager of Subsidiary ZV on July 5, 2021.

Mr. Zhou has 15 years of experience in the mining industry. Prior to joining the Group, he had the following work experiences:

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
China National Nonferrous Metals Industry and Technology Development Co., Ltd. (中國有色金屬實業技術開發有限公司)	Mining of mineral resources (non-coal mines), geological exploration; development of new technologies, products, materials and projects in the non-ferrous metal industry; sales of ferrous and non-ferrous metals, metallic mineral products and related raw materials	Manager	August 2009 to December 2020	Responsible for the investment, construction, exploration, extraction and production management of nonferrous mining, especially: • the exploration and construction of the La cruz copper-gold mine of Golden Ocean Mining, Michoacán, Mexico • the construction and extraction of Bianjia Dayuan silver-lead-zinc polymetallic mine project of Chifeng Lituo Mining Co. (赤峰市利拓礦業有限公司) in Inner Mongolia

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
CRCCII.	Comprehensive development of infrastructure and urban cities; investment, development, construction and management of mineral resources, industrial parks and emerging industries	Senior manager	February 2021 to July 2021	Participated in the post-investment management of the Mirado copper mine in Ecuador

Mr. Zhou obtained a bachelor's degree in mining and geotechnical engineering and a master's degree in mining engineering from Central South University (中南大學) in Hunan Province, the PRC in June 2005 and May 2009, respectively, and a doctoral degree in mining engineering from University of Science and Technology Beijing (北京科技大學) in Beijing, the PRC in January 2020. He obtained the title of senior mining engineer (採礦高級工程師) from the Ministry of Human Resources and Social Security of PRC (中華人民共和國人力資源和社會保障部) in December 2017. He was awarded the Special Prize of Science and Technology Award (科學技術獎) by China Gold Association (中國黃金協會) in March 2017.

Mr. ZHENG Wenyi (鄭文義), aged 54, was appointed as the administrative manager of Jiaxin Zhuhai in March 2024 and as supervisor of Jiaxin Zhuhai in September 2024. Mr. Zheng joined the Group in April 2016, and he served as a deputy general manager of the Company from April 2016 to December 2019 and a deputy director of Subsidiary ZV from January 2020 to March 2024.

Mr. Zheng has 30 years of experience in the project management of construction projects, investment management and legal affairs management. Prior to joining the Group, he served consecutively as a manager of the investment management department and a deputy general manager at Zhuhai Huayue Investment Company Limited (珠海市華粵投資有限公司) from September 1994 to April 2016.

Mr. Zheng obtained a bachelor's degree in administrative management from The Open University of China in Beijing, the PRC, in January 2025, and a college's degree in industrial and civil construction from Guangdong Architectural Engineering College (廣東省建築工程專科學校) (a predecessor of Guangdong University of Technology (廣東工業大學)) in Guangdong Province, the PRC in June 1990.

Mr. ZHANG Shengyi (張勝義), aged 68, was appointed as the assistant to general manager of Subsidiary ZV on January 9, 2020.

Mr. Zhang has 42 years of experience in the mining industry. Prior to joining the Group, he had the following work experiences:

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Jiangxi Copper . . .	Same as above	Mining technician, engineer and deputy mine manager of Wushan Copper Mine (武山銅礦)	January 1982 to November 1996	Responsible for the management of extraction and production activities of Wushan Copper Mine
Jiangxi Copper . . .	Same as above	Deputy director of production department	November 1996 to December 2000	Responsible for the coordination and operation management in the extraction and production activities of mining units within Jiangxi Copper and its subsidiaries

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Jiangxi Copper . . .	Same as above	General manager of Yinshan mine	December 2000 to June 2005	Responsible for the overall operation and management of the production, the formation and implementation of production strategy in the extraction and production activities of Yinshan mine
Jiangxi Copper . . .	Same as above	Manager of mining resources department and investment management department	June 2005 to April 2010	Responsible for the resource management, in-depth exploration, mine supplemental exploration, merger and acquisition of mineral resources within Jiangxi Copper Group
Lumina Copper S.A.C. (Lumina Copper Peru) . .	Exploration and exploitation of copper mines in Peru	Director and manager of basic facility department	April 2010 to October 2011	Participating in the scientific research, environmental assessment, supplemental exploration, engineering, geological exploration and other development activities in the exploration and development of a copper mine in Galeno, Peru

Name of organization	Principal business activity	Major position(s)	Period of service	Primary responsibilities
Sichuan JCC Rare Earth Metals Co., Ltd. (四川江銅稀土有限責任公司)	Mining of rare earth ores, smelting and separation, and deep processing and sales of related product	Chairman of the board	October 2011 to November 2015	Responsible for: • the development and implementation of environmental remediation program in Haoniuping rare earth mine • the supplemental exploration, formulation of development plan and implementation of mines; and • the construction of the smelting, separation and processing chain for rare earth in the exploration activities of mines

Mr. Zhang obtained a bachelor's degree in mining engineering from Zhongnan Institute of Mining and Metallurgy (中南礦冶學院) (a predecessor of Central South University (中南大學)) in Hunan Province, the PRC in December 1981. Mr. Zhang was awarded the Third Prize of Science and Technology Advancement Award by China National Nonferrous Metals Industry Corporation (中國有色金屬工業總公司) in 1987. From 2012 to 2015, Mr. Zhang served as vice chairman of China Rare Earth Industry Association (中國稀土行業協會) and chairman of Sichuan Rare Earth Industry Association (四川省稀土行業協會).

RELEVANT EXPERIENCE OF THE MANAGEMENT TEAM WITH RESPECT TO TUNGSTEN MINING ACTIVITIES

As disclosed above, Mr. Wang Zhongwei, Mr. Liu Peng, Mr. Zhao Yingfeng, Mr. Chen Bo, Mr. Zhou Xu and Mr. Zhang Shengyi (together, the "**Relevant Management**") have diverse experience in mining, exploration, processing, and management of base metals (i.e., copper, lead, zinc, etc.) and precious metals (i.e., gold and silver, etc.). According to the Independent Technical Consultant, their experience is relevant and transferable to the mining activities at the Boguty Project for the following reasons:

1. Geological Similarities: Tungsten mineralization occurs in stockworks or narrow veins, similar to the base and precious metals as set above. Miners and explorers with experience in base and precious metals would possess knowledge of the geological characteristics and exploration techniques applicable to tungsten mining and exploration.

2. Extraction Techniques: Many mining techniques used in base and precious metals, such as open-pit and underground mining, are applicable to tungsten mining. Miners familiar with open-pit mining are able to employ the same technique for the proposed mining method at the Boguty Project.

3. Processing: Both base and precious metals, as well as tungsten ores, require processing and beneficiation to extract valuable minerals. Techniques like crushing, grinding, and flotation are commonly used in processing both base/precious metals and tungsten.

4. Operational Expertise: Mining operations share logistical and operational considerations such as equipment selection, maintenance, safety protocols, and workforce management. Miners experienced in base/precious metals operations can bring their expertise to tungsten mining operations.

In particular, each of the Relevant Management has the following experience and skills which are transferrable to the mining activities at the Boguty Project:

1. Mr. Wang Zhongwei: Mr. Wang has accumulated extensive experience in the mining and beneficiation of copper, gold, silver, lead, zinc, molybdenum and other minerals when he was the director of processing plant and deputy director of Dexing Copper Mine (德興銅礦) at Jiangxi Copper, as well as the standing deputy general manager at Jiangxi Copper Group Yinshan Mining Limited (江西銅業集團銀山礦業有限責任公司). According to the Independent Technical Consultant, tungsten mineralisation occurs as stockworks or narrow veins in Boguty, which is akin to certain kinds of the mineralisation styles of copper, gold, silver, lead and zinc. The mining methods and beneficiation processes of such said minerals are similar to those of tungsten. As such, Mr. Wang's mining and beneficiation experience is considered closely relevant to the mining exploration and extraction activities of tungsten in Boguty Project of our Company.

2. Mr. Liu Peng: Mr. Liu is familiar with cost management, cost control, cost accounting of mines, smelters and copper processing in China and overseas, and is familiar with corporate tax planning and analysis and other management work due to his experience as the cost and expense manager of the corporate finance department at Jiangxi Copper, the finance manager at Nesko Metal Sanayi Ve Ticaret Anonim Şirketi and the financial controller at Zhejiang Jiangtong Fuye Heding Copper Company Limited (浙江江銅富冶和鼎銅業有限公司). The experiences of the said financial management and risk management of mines are closely associated with the financial management and operation in the exploration and extraction activities in the mines of the Boguty Project. Therefore, Mr. Liu's experience in financial management of copper mines is considered to be closely relevant and essential to the operation of the Boguty Project of our Company.

3. Mr. Zhao Yingfeng: Mr. Zhao has accumulated extensive experience in copper mining extraction and processing when he was the principal engineer of processing plant and deputy director of Yongping Copper Mine (永平銅礦) at Jiangxi Copper. According to the Independent Technical Consultant, the typical processing methods for copper include sulfide, flotation, pyrometallurgical and hydrometallurgical methods. Yongping Copper Mine is an open pit operation and the processing flowsheet employs floatation, which will also be used in the processing of tungsten at Boguty Project. As such, Mr. Zhao's experience in the mining extraction and processing of copper is closely relevant and essential to that of tungsten at Boguty Project of our Company.

4. Mr. Chen Bo: Mr. Chen accumulated extensive experience in the exploration and production management of copper mines at Dexing Copper Mine when he was the deputy director of engineering department of Fujiawu project of Dexing Copper Mine and the director of engineering management department of Dexing Copper Mine at Jiangxi Copper. Dexing Copper Mine is one of the largest copper mines in China whose mineralization, mining methods and mining production systems, such as pioneering transportation, power supply, water supply and drainage, as well as the mining and stripping process and equipment are akin to those of Boguty Project according to the Independent Technical Consultant. Therefore, his experience in the mining engineering activities is similar with the exploration and production activities in the Boguty Project. As such, Mr. Chen's engineering and construction experience at Dexing Copper Mine is considered closely relevant and essential to the mining exploration activities at the Boguty Project of our Company.

5. Mr. Zhou Xu: Mr. Zhou has accumulated extensive experience in the construction and development in the exploration activities of non-ferrous metal mines in the PRC and abroad when he was the manager at China National Nonferrous Metals Industry and Technology Development Co., Ltd. (中國有色金屬實業技術開發有限公司) and the senior manager at CRCCII. According to the Independent Technical Consultant, the non-ferrous metal deposits of copper, gold, silver, lead and zinc in which he was involved have similar mineralization and mining methods as that of Boguty Project. They also share the similar mining production systems such as pioneering transportation, power supply, water supply and drainage, as well as the similar mining and stripping processes and equipment adopted in the production process, such as perforated rock drilling, loading and blasting, mechanized shovel transportation. In addition, they have the same methods of controlling the depletion loss and other key indicators of the mining operations in the production process. As such, Mr. Zhou's experience in the exploration activities of non-ferrous metal mines is closely relevant and essential to the mining exploration activities of the Boguty Project of our Company.

6. Mr. Zhang Shengyi: Mr. Zhang has accumulated extensive experience in the mining exploration and development of copper and rare earth mines when he was the deputy director of production department at Jiangxi Copper. The target minerals of Jiangxi Copper and the Galeno mine include rare earth, copper, gold, and other polymetallic mineralisation. According to the Independent Technical Consultant, the exploration methods for these types of minerals are closely associated with those used for the hydrothermal narrow-vein type deposit of tungsten found at Boguty Project. Further, Jiangxi Copper possesses various mining units including open pit mines, and the Haoniuping rare earths mine is an open pit mine. According to the Independent Technical Consultant, the mining method of open pit mines is similar and applicable to the proposed mining method at Boguty Project. Therefore, Mr. Zhang's past experience in exploration and development activities is closely relevant and essential to the mining exploration activities at Boguty Project.

As such, the Independent Technical Consultant is of the view that the knowledge and experience of the Relevant Management gained from exploration, mining, beneficiation and operation of base and precious metals are transferable to the planned operation at the Boguty Project.

General

Save as disclosed above, none of our Directors held any directorship in public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years immediately preceding the date of this prospectus. Save as disclosed herein, to the best knowledge, information and belief of the Directors having made all reasonable inquiries, there was no other matters with respect to the appointment of the Directors that need to be brought to the attention of our Shareholders and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(a) to (v) of the Listing Rules.

COMPANY SECRETARY

Ms. LIU Wenjing (劉文靜), aged 40, was appointed as the secretary of the Board in October 2022 and the company secretary of the Company in January 2024.

Ms. Liu has 18 years of experience in strategy management, corporate governance and financial investment. Prior to joining the Group and from July 2006 to January 2014, she served various roles consecutively at Zhuhai Founder Technology Multilayer Circuit Board Co., Ltd. (珠海方正科技多層電路板有限公司), Zhuhai Founder Printed Circuit Board Development Limited (珠海方正印刷電路板發展有限公司) and the Perfect Textile & Garment Manufacture Co., Ltd (江門市寶發紡織服飾製造有限公司). She served consecutively as a securities affairs representative of SGSG Science & Technology Co., Ltd. Zhuhai (珠海匯金科技股份有限公司) (a company listed on Shenzhen Stock Exchange (stock code: 300561)) from January 2015 to March 2016, the vice president and the secretary to the board of Zhuhai Taichuan Cloud Technology Co., LTD. (珠海太川雲社區技術股份有限公司) (a company listed on the National Equities Exchange and Quotations ("**NEEQ**") (stock code: 832214)) from March 2016 to November 2018, and the chief financial officer and the secretary to the board of Live Group (荔園集團) from December 2018 to November 2021.

Ms. Liu obtained a master's degree in business administration from the University of Macau (澳門大學) in December 2015, a master's degree of in corporate governance from Hong Kong Metropolitan University (香港都會大學) in March 2022. Ms. Liu has been pursuing her doctoral degree in part time from the Hong Kong Polytechnic University (香港理工大學) since September 2021. Ms. Liu obtained the board secretary certificates (董事會秘書資格證書) granted by Shanghai Stock Exchange in April 2011, Shenzhen Stock Exchange in September 2014, and NEEQ in April 2017. She also obtained the certificate of qualification for independent directors of listed companies (上市公司獨立董事資格證書) from Shenzhen Stock Exchange in December 2017. She was admitted as Fellow of The Hong Kong Chartered Governance Institute (香港公司治理公會) in June 2022, Fellow of the Chartered Institute of Management Accountants (CIMA) and Chartered Global Management Accountant (CGMA) in December 2022. She was admitted as an international affiliate of Hong Kong Institute of Certified Public Accountants in May 2023. She was entitled to use the post-nominal 'HKCGI CERT: ESG' in July 2023. Ms. Liu was awarded the Most Recognized Board Secretaries on NEEQ (中國新三板最受市場認可董秘) in December 2017.

BOARD COMMITTEES

We have established the following committees under the Board: Audit Committee, Nomination Committee, Remuneration Committee and ESG Committee. The committees operate in accordance with terms of reference established by the Board.

Audit Committee

We have established the Audit Committee on January 25, 2024 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Audit Committee consists of one non-executive Director, being Mr. Zha Kebing, and two independent non-executive Directors, being Mr. Wong Hok Bun Mario and Mr. Wang Jianfeng. The chairman of the Audit Committee is Mr. Wong Hok Bun Mario, who holds the appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee are to review and monitor our financial reporting, risk management and internal control systems, and to nominate and assist our Board to fulfill its responsibility over the audit.

Nomination Committee

We have established the Nomination Committee on January 25, 2024 with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Nomination Committee consists of one executive Director, being Mr. Liu Liqiang, and two independent non-executive Directors, being Mr. Zhu Guoshan and Mr.

Wong Hok Bun Mario. The chairman of the Nomination Committee is Mr. Zhu Guoshan. The primary duties of the Nomination Committee are to make recommendations to our Board on the appointment and removal of Directors of our Company.

Remuneration Committee

We have established the Remuneration Committee on January 25, 2024 with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The Remuneration Committee consists of one non-executive Director, being Ms. Lian Jie and two independent non-executive Directors, being Mr. Wang Jianfeng and Mr. Zhu Guoshan. The chairman of the Remuneration Committee is Mr. Wang Jianfeng. The primary duties of the Remuneration Committee are to evaluate the performance and make recommendations to our Board on the remuneration package of our Directors and senior management.

ESG Committee

We have established the ESG Committee on January 25, 2024 with written terms of reference in compliance with the Corporate Governance Code as set forth in Appendix C1 to the Listing Rules. The ESG Committee consists of two executive Directors, being Mr. Wang Zhongwei and Mr. Qiu Huaizhi, and one non-executive Director, being Ms. Lian Jie. The chairman of the ESG Committee is Mr. Wang Zhongwei. The primary duties of the ESG Committee are to assess the Company's environmental, social and governance responsibilities and risks and opportunities, and to formulate the Company's environmental, social and governance vision, objectives and strategies.

CORPORATE GOVERNANCE

Our Company is committed to achieving a high standard of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules and the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Hong Kong Listing Rules after the Listing.

BOARD DIVERSITY POLICY

We have adopted a board diversity policy which sets out the approach to achieve and maintain diversity in our Board. Pursuant to our board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, industry experience, technical capabilities, professional qualifications and skills, knowledge, length of service and other related factors. We will also consider our own business model and special needs. The ultimate selection of Director candidates will be based on merits of the candidates and contribution that the candidates will bring to our Board.

Our Board currently consists of one female Director and seven male Directors with a balanced mix of gender, knowledge and skills, including but not limited to knowledge and experience in the areas of corporate management, mining, civil construction, investment, law, financial management and accounting. Taking into consideration our existing business model and specific needs as well as the different background of our Directors, our Directors consider that the composition of our Board upon the Listing satisfies our board diversity policy. After the Listing, we will strive to keep gender balance of the Board through measures implemented by our Nomination Committee in accordance with our board diversity policy. In particular, we will keep identifying and selecting female individuals with a diverse range of skills, experience and knowledge in different fields who are suitably qualified to become our Board members and maintain at least one female Director and at least 10% female representations in our Board.

Our Nomination Committee is responsible for the implementation of our board diversity policy. Upon completion of the Listing, our Nomination Committee will review our board diversity policy from time to time to ensure its continued effectiveness and we will disclose the implementation of our board diversity policy in our corporate governance report on an annual basis.

CONFIRMATION FROM OUR DIRECTORS

Rule 8.10 of the Listing Rules

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a business which competes or is likely to compete, either directly or indirectly, with our Company's business which would require disclosure under Rule 8.10 of the Listing Rules.

Rule 3.09D of the Listing Rules

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in January 2024, and (ii) understands his or her obligations as a director of a listed issuer under the Listing Rules.

Rule 3.13 of the Listing Rules

Each of the independent non-executive Directors has confirmed (i) his independence as regards each of the factors referred to in Rules 3.13(1) to (8) of the Listing Rules, (ii) he has no past or present financial or other interest in the business of the Company or its subsidiaries or any connection with any core connected person of the Company under the Listing Rules as of the Latest Practicable Date, and (iii) that there are no other factors that may affect his independence at the time of his appointment.

COMPENSATION OF DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

We offer our executive Directors and senior management members, who are also our Company's employees, various compensation in the form of fees, salaries, retirement benefit scheme contributions, discretionary bonus, housing allowances and other benefits in kind.

In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the total remuneration (including fees, salary, allowances and benefits in kind, discretionary bonus, contributions to retirement benefits scheme and other emoluments) we paid to our Directors amounted to approximately HK$2.8 million, HK$2.7 million, HK$2.9 million and HK$1.3 million, respectively.

The five individuals whose emoluments were the highest in the Group include one, one, one and one Director for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. In the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, the total remuneration (including wages, salaries and bonuses, staff welfare expenses, pensions and other social security costs, housing benefits) we paid to the remaining non-director individuals whose emoluments were the highest in the Group amounted to approximately HK$4.8 million, HK$4.1 million, HK$4.7 million and HK$2.0 million, respectively.

Pursuant to the arrangement still in force as of the date of this prospectus, an estimated aggregate amount of approximately HK$2.9 million will be paid and granted to the Directors as remuneration for the financial year ending December 31, 2025.

No remuneration was paid to our Directors or the five highest paid individuals as an inducement to join, or upon joining, our Group. During the Track Record Period, no compensation was paid to, or has been received by, our Directors, former Directors or the five highest paid individuals for the loss of office as director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group. None of our Directors waived any emoluments during the Track Record Period.

Saved as disclosed above, no other payments have been paid or are payable for the three years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 by us or any of our subsidiaries to our Directors.

COMPLIANCE ADVISOR

We have appointed Guolian Securities International Capital Market Co., Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules. The material terms of the Compliance Advisor's agreement are as follows:

(i) Guolian Securities International Capital Market Co., Limited shall act as our compliance advisor for the purpose of Rule 3A.19 of the Hong Kong Listing Rules for a period commencing on the Listing Date and ending on the date on which we comply with Rule 13.46 of the Hong Kong Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier;

(ii) the Compliance Advisor will provide us with certain services, including proper guidance and advice as to compliance with the requirements under the Hong Kong Listing Rules and applicable laws, regulations and rules;

(iii) the Compliance Advisor will, as soon as reasonably practicable, inform us of any amendment or supplement to the Hong Kong Listing Rules announced by the Hong Kong Stock Exchange from time to time, and of any amendment or supplement to the applicable laws, regulations and rules in Hong Kong applicable to the Company; and

(iv) the Compliance Advisor will act as our additional channel of communication of the Company with the Hong Kong Stock Exchange.

SHARE CAPITAL

The number of Shares of our Company as of the date of this prospectus and immediately before and after completion of the Global Offering is as follows:

	Number of Shares
Number of Shares:	
Shares in issue as of the date of this prospectus	11,765
Shares in issue immediately following the Share Subdivision and before the Global Offering	329,420,000
Shares to be issued:	
Shares to be issued pursuant to the Global Offering(1) (assuming the Over-allotment Option is not exercised)	109,808,800
Shares on completion of the Global Offering(1) (assuming the Over-allotment Option is not exercised)	**439,228,800**
Shares to be issued:	
Shares to be issued on exercise of the Over-allotment Option in full	16,471,200
Shares on completion of the Global Offering(1) (assuming the Over-allotment Option is exercised in full)	**455,700,000**

Note:

1. Including (i) the Hong Kong Public Offering of initially 10,981,200 Shares, and (ii) the International Offering of initially 98,827,600 Shares (including 1,317,600 Shares under the AIX Offering).

The table above assumes the Global Offering becomes unconditional and completed in accordance with the relevant terms and conditions. It takes no account of (a) any Shares which may be issued under the general mandate given to our Directors for the issue and allotment of Shares; or (b) any Shares which may be repurchased by us pursuant to the general mandate given to our Directors for the repurchase of Shares.

Other than the Global Offering, and save as disclosed in this prospectus in the section headed "Information about this Prospectus and the Global Offering", we do not propose to carry out any public or private issue or to place securities simultaneously with the Global Offering or within the next six months. We have not approved any Share issue plan other than the Global Offering.

RANKING

The Offer Shares are ordinary Shares in the share capital of our Company and rank *pari passu* in all respects with all Shares currently in issue or to be issued and, in particular, will qualify and rank in full for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this prospectus.

MINIMUM PUBLIC FLOAT

Pursuant to Rule 8.08(1) of the Listing Rules, where the expected market value at the time of listing does not exceed HK$6,000,000,000, at least 25.0% of the total issued share capital of our Company must at all times be held by the public.

In addition, under the AIX Regional Equity Market Rules (REM 3.1(e)), as applicable to REM companies (i.e., the companies free-float market capitalization of which on AIX and other stock exchanges does not exceed USD200 million) the threshold for "shares in public hands" is decreased to 10%. AIX has the right to decrease such minimum amount even more.

GENERAL MANDATE TO ISSUE SHARES

Subject to the conditions stated in the section headed "Structure of the Global Offering — Conditions of the Global Offering" in this prospectus, our Directors have been granted a general unconditional mandate to allot, issue and deal with a total number of Shares not exceeding:

(a) 20% of the total number of Shares of our Company immediately after the completion of the Global Offering; and

(b) the total number of Shares of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in the section headed "— General Mandate to Repurchase Shares" below.

This general mandate to issue Shares will expire:

(i) at the conclusion of our next annual general meetings unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions; or

(ii) at the end of the period within which we are required by any applicable law or our Articles of Association to hold our next annual general meeting; or

(iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

For further details of this general mandate, see "Appendix VI — Statutory and General Information — 1. Further Information about Our Company — D. Written Resolutions Passed by Our Shareholders".

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the conditions stated in the section headed "Structure of the Global Offering — Conditions of the Global Offering", our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase Shares (Shares which may be listed on the Hong Kong Stock Exchange or on any other stock exchange which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose) of an aggregate number of not more than 10% of the total number of our Shares in issue immediately after the completion of the Global Offering (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

This general mandate relates only to repurchases made on the Hong Kong Stock Exchange, or on any other stock exchange on which the Shares are listed (and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose), and made in accordance with the Listing Rules. For a summary of the relevant Listing Rules, see "Appendix VI — Statutory and General Information — 1. Further Information about Our Company — E. Repurchase of Our Shares".

This general mandate to repurchase Shares will expire:

(i) at the conclusion of our next annual general meeting unless otherwise renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions; or

(ii) at the end of the period within which we are required by any applicable law or our Articles of Association to hold our next annual general meeting; or

(iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

For further details of this general mandate, see "Appendix VI — Statutory and General Information — 1. Further Information about Our Company — D. Written Resolutions Passed by Our Shareholders".

CIRCUMSTANCES UNDER WHICH GENERAL MEETING ARE REQUIRED

Pursuant to the Companies Ordinance and the Articles of Association, our Company may from time to time by ordinary Shareholders' resolution (i) increase its share capital; (ii) alter its share capital; and (iii) cancel any Shares which have not been taken or have been forfeited. In addition, our Company may reduce its share capital by Shareholders' special resolution. For more details, see "Appendix IV — Summary of the Articles of Association — Changes in Capital".

Further, all or any of the special rights (unless otherwise provided by the terms of issue) attached to our Shares or any class of Shares may be varied or abrogated either with the consent in writing of the holders of more than 75% of the total voting rights of the holders of the Shares. For more details, see "Appendix IV — Summary of the Articles of Association — Variation of Rights".

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately after completion of the Global Offering, the following persons will have an interest in our Shares or the underlying shares of our Company which will be required to be disclosed to our Company and the Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company:

		Shares held after the Share Subdivision and before the Global Offering(1)		Shares held immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised)(1)		Shares held immediately after completion of the Global Offering (assuming the Over-allotment Option is exercised in full)(1)	
Shareholder	**Nature of interest**	**Number**	**Percentage**	**Number**	**Percentage**	**Number**	**Percentage**
Mr. Liu Zijia (劉子嘉)(2)	Interest in controlled corporation	142,800,000	43.35%	142,800,000	32.51%	142,800,000	31.34%
Ever Trillion(2)	Beneficial owner	142,800,000	43.35%	142,800,000	32.51%	142,800,000	31.34%
Jiangxi State-owned Capital Operation Holding Group Co., Ltd. (江西省國有資本運營控股集團有限公司)(3) .	Interest in controlled corporation	137,200,000	41.65%	137,200,000	31.24%	137,200,000	30.11%
Jiangxi Copper Corporation Limited (江西銅業集團有限公司)(3) .	Interest in controlled corporation	137,200,000	41.65%	137,200,000	31.24%	137,200,000	30.11%
Jiangxi Copper(3) . .	Interest in controlled corporation	137,200,000	41.65%	137,200,000	31.24%	137,200,000	30.11%
Jiangxi Copper HK(3)	Beneficial owner	137,200,000	41.65%	137,200,000	31.24%	137,200,000	30.11%

Shareholder	Nature of interest	Shares held after the Share Subdivision and before the Global Offering[1]		Shares held immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised)[1]		Shares held immediately after completion of the Global Offering (assuming the Over-allotment Option is exercised in full)[1]	
		Number	Percentage	Number	Percentage	Number	Percentage
China Railway Construction Corporation (中國鐵道建築集團有限公司)[4]	Interest in controlled corporation	49,420,000	15.00%	49,420,000	11.25%	49,420,000	10.84%
CRCC[4]	Interest in controlled corporation	49,420,000	15.00%	49,420,000	11.25%	49,420,000	10.84%
CRCCII[4]	Beneficial owner	32,956,000	10.00%	32,956,000	7.50%	32,956,000	7.23%

(1) All the interests stated are long positions.

(2) As of the Latest Practicable Date, Ever Trillion directly held 43.35% of our Shares. Ever Trillion is wholly owned by Mr. Liu Zijia (劉子嘉). Therefore, Mr. Liu Zijia is deemed to be interested in the Shares held by Ever Trillion. The Shares of our Company held by Ever Trillion are subject to a share pledge (the "**Share Pledge**") pursuant to a deed of share charge dated September 11, 2020 given by Ever Trillion, as the chargor, in favor of Jiangxi Copper Corporation Limited (江西銅業集團有限公司), as the chargee. The Share Pledge was provided as a counter guarantee for the obligations under the guarantee given by Jiangxi Copper Corporation Limited (the "**Jiangxi Copper Guarantee**") for our Company's loan facilities. In this connection, we have received confirmation from the independent financial institution which provided the relevant loan facilities to our Company that they have agreed in principle to release the Jiangxi Copper Guarantee prior to the Listing, and we expect to release the Jiangxi Copper Guarantee and the counter guarantees provided by Ever Trillion, CRCCII and CCECC HK prior to the Listing. For further details, please see "Relationship with Our Controlling Shareholders—Independence from our Controlling Shareholders—Financial Independence" in this prospectus. Pursuant to a confirmation dated July 29, 2025 made by Jiangxi Copper Corporation Limited to our Company and Ever Trillion, Jiangxi Copper Corporation Limited has agreed and undertaken not to enforce the share pledge at any time during the period commencing from July 29, 2025 and ending on the completion date of the Global Offering, nor during the first six months following that date. For an additional six months following the end of the said first six-month period, Jiangxi Copper Corporation Limited has further undertaken not to enforce the share pledge in any way that would result in Ever Trillion and its shareholder no longer being the Controlling Shareholder of our Company.

(3) As of the Latest Practicable Date, Jiangxi Copper HK directly held 41.65% of our Shares. Jiangxi Copper HK is a wholly-owned subsidiary of Jiangxi Copper, which was in turn owned as to approximately 45.72% and controlled by Jiangxi Copper Corporation Limited as of September 30, 2024. Jiangxi Copper Corporation Limited is a subsidiary of Jiangxi State-owned Capital Operation Holding Group Co., Ltd. (江西省國有資本運營控股集團有限公司). Jiangxi State-owned Capital Operation Holding Group Co., Ltd. is controlled by State-owned Assets Supervision and Administration Commission of Jiangxi Province (江西省國有資產監督管理委員會). Therefore, each of Jiangxi Copper, Jiangxi Copper Corporation Limited, and Jiangxi State-owned Capital Operation Holding Group Co., Ltd. is deemed to be interested in the Shares held by Jiangxi Copper HK.

(4) As of the Latest Practicable Date, CRCCII directly held 10% of our Shares. CRCCII is a wholly-owned subsidiary of CRCC, which is in turn ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council through China Railway Construction Corporation (中國鐵道建築集團有限公司). Further, CCECC HK, a wholly-owned subsidiary of CRCC, directly held 5% of our Shares as of the Latest Practicable Date. Therefore, each of CRCC and China Railway Construction Corporation is deemed to be interested in the Shares held by CRCCII and CCECC HK.

Save as disclosed above, our Directors are not aware of any other person who will, immediately after completion of the Global Offering, have an interest and/or a short position in our Shares or the underlying shares of our Company which will be required to be disclosed to our Company and the Hong Kong Stock Exchange pursuant to the provisions in Divisions 2 and 3 of Part XV of the SFO or will be, directly or indirectly, interested in 10% or more of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**" and collectively, the "**Cornerstone Investment Agreements**") with the cornerstone investors set out below (each a "**Cornerstone Investor**" and collectively, the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, subscribe, or cause their designated entities to subscribe, at the Offer Price for such number of Offer Shares (rounded down to the nearest whole board lot of 400 Shares) that may be purchased for an aggregate amount equivalent to US$76.38 million, calculated based on the conversion rate of US$1.00 to HK$7.8498 (the "**Cornerstone Placing**").

Based on the Offer Price of HK$10.92 per Share, the total number of Offer Shares to be subscribed by the Cornerstone Investors would be 54,904,400 Offer Shares. The table below reflects the shareholding percentage immediately after the completion of the Global Offering.

Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is exercised in full	
Approximate % of the Offer Shares	Approximate % of the total issued share capital	Approximate % of the Offer Shares	Approximate % of the total issued share capital
50%	12.50%	43.48%	12.05%

Our Company is of the view that the Cornerstone Investment will help raise the profile of our Company and to signify that such investors have confidence in our business and prospect. Further, we believe that we will benefit from the cornerstone investment, taking into account the business sectors they primarily focus on. Our Company became acquainted with each of the Cornerstone Investors in its ordinary course of operation through the Group's business network or through introduction by the Company's shareholders, business partners or Overall Coordinators.

The Cornerstone Placing will form part of the International Offering, and save as otherwise waived/obtained consent by the Stock Exchange, the Cornerstone Investors will not subscribe for any Offer Shares under the Global Offering other than pursuant to the Cornerstone Investment Agreements. The Offer Shares to be subscribed by the Cornerstone Investors will rank *pari passu* in all respects with the fully paid Shares in issue and all the Shares to be subscribed by the cornerstone investors will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules. Immediately following the completion of the Global Offering, (i) none of the Cornerstone Investors and/or their close associates will have any Board representation in our Company; (ii) none of the Cornerstone Investors and/or their close associates will become a substantial Shareholder of our Company; and (iii) equity interests in our Company being beneficially owned by the three largest public Shareholders will be less than 50% for the purpose of Rule 8.08(3) of the Listing Rules. The Cornerstone Investors do not have any preferential rights in the Cornerstone Investment Agreements compared with other public Shareholders, other than a guaranteed allocation of the relevant Offer Shares at the Offer Price.

As confirmed by each of the Cornerstone Investors, there are no side arrangements between the Company, and the Cornerstone Investors, or any benefit, direct or indirect, conferred on the Cornerstone Investors, by virtue of or in relation to the Listing other than a guaranteed allocation of the relevant Offer Shares at the Offer Price, following the principles as set out in Chapter 4.15 of the Guide for New Listing Applicants.

The Cornerstone Investors have agreed to pay for the relevant Offer Shares that they have subscribed before dealings in the Company's Shares commence on the Stock Exchange. There will be no deferred settlement or delayed delivery of the Offer Shares to be subscribed by the Cornerstone Investors.

To the best of the knowledge, information and belief of our Company, (i) the Cornerstone Investors are independent of the Company, its connected persons and their respective associates; (ii) none of the Cornerstone Investor is accustomed to take and has not taken instructions from the Company, our Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Offer Shares; and (iii) none of the subscription of the Offer Shares by the Cornerstone Investors is financed by the Company, our Directors, chief executive, Controlling Shareholders, substantial Shareholders, existing Shareholders or any of its subsidiaries or their respective close associates.

To the best knowledge of the Company and the Overall Coordinators, and based on the indicative interest of investment of the Cornerstone Investors and/or their close associates as of the date of this prospectus, certain Cornerstone Investors and/or their close associates may participate in the International Offering as placees and subscribe for further Offer Shares in the Global Offering. The Company will seek the Stock Exchange's consent and/or waiver to allow the Cornerstone Investors and/or their close associates to participate in the International Offering as placees pursuant to Chapter 4.15 of the Guide for New Listing Applicants. Whether such Cornerstone Investors and/or their close associates will place orders in the International Offering are uncertain and will be subject to the final investment decisions of such investors and the terms and conditions of the Global Offering.

To the best knowledge of our Company, the Cornerstone Investors make independent investment decisions, and their subscription under the Cornerstone Investment Agreements would be financed by their own internal resources and they have sufficient funds to settle their respective investment under the Cornerstone Placing. Each of the Cornerstone Investor has confirmed that all necessary approvals have been obtained with respect to the Cornerstone Placing, and that no specific approval from any stock exchange (if relevant) or its shareholders is required for the relevant cornerstone investment.

The total number of Offer Shares to be subscribed for by the Cornerstone Investors under the Cornerstone Placing may be affected by reallocation of the Offer Shares between the International Offering and the Hong Kong Public Offering in the event of over-subscription under the Hong Kong Public Offering, as described in the paragraphs headed "Structure of the

Global Offering — The Hong Kong Public Offering — Reallocation" in this prospectus. The number of Offer Shares to be acquired by each Cornerstone Investor may be deducted on a pro rata basis in accordance with the terms of the Cornerstone Investment Agreements to satisfy the public demands under the Hong Kong Public Offering, after taking into account the requirements under Appendix F1 to the Listing Rules as well as the discretion of the Sole Representative (for itself and on behalf of the International Underwriters) to exercise the Over-allotment Option.

Details of the actual number of Offer Shares to be allocated to the Cornerstone Investors will be disclosed in the allotment results announcement of our Company to be published on or around August 27, 2025.

The table below sets forth the details of the Cornerstone Placing:

Based on the Offer Price of HK$10.92

			Assuming the Over-allotment Option is not exercised		Assuming the Over-allotment Option is fully exercised	
Cornerstone Investors	Total Investment Amount	Number of Offer Shares to be subscribed(1)	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering	Approximate % of the Offer Shares	Approximate % of our total issued share capital immediately upon completion of the Global Offering
	(in millions)					
Cinda	HK$300	27,472,400	25.02%	6.25%	21.76%	6.03%
Luyin	HK$100	9,157,200	8.34%	2.08%	7.25%	2.01%
GF Fund	US$8.6	6,182,000	5.63%	1.41%	4.90%	1.36%
GF International Investment Management	US$6.4	4,600,400	4.19%	1.05%	3.64%	1.01%
Fullgoal HK	HK$23.48	2,150,000	1.96%	0.49%	1.70%	0.47%
Fullgoal Fund	HK$26.52	2,428,400	2.21%	0.55%	1.92%	0.53%
Zhengxin	HK$31.82	2,914,000	2.65%	0.66%	2.31%	0.64%
Total	**US$76.38**	**54,904,400**	**50.00%**	**12.50%**	**43.48%**	**12.05%**

Notes:

(1) Subject to rounding down to the nearest whole board lot of 400 Shares. Calculated based on the exchange rate set out in the section headed "Information about this Prospectus and the Global Offering — Exchange Rate Conversion."

(2) Exclusive of brokerage, SFC transaction levy, AFRC transaction levy and the Stock Exchange trading fee.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by our Cornerstone Investors in connection with the Cornerstone Placing.

Cinda

CHINA CINDA (HK) ASSET MANAGEMENT CO., LIMITED (中國信達(香港)資產管理有限公司) ("**Cinda**") is a company incorporated in Hong Kong on April 21, 1999. It is wholly owned by CHINA CINDA (HK) HOLDINGS COMPANY LIMITED (中國信達(香港)控股有限公司) , a wholly-owned subsidiary of China Cinda Asset Management Co., Ltd. (中國信達資產管理股份有限公司), a company listed on the Stock Exchange (Stock code: 01359.HK).

Luyin

LUYIN TRADING PTE. LTD. (新加坡魯銀貿易有限公司) ("**Luyin**") is a company incorporated in Singapore on January 10, 2004. It is principally engaged in the purchase, sale, and processing of gold, silver, platinum and related products, as well as the import and export of goods and technologies and bulk commodity trading. Luyin is a wholly-owned subsidiary of Shandong Zhaojin Group Company Limited, a state-owned enterprise ultimately owned 90% by the State-owned Assets Supervision and Administration Bureau of Zhaoyuan City. Luyin has years of experience in securities investment, and has a broad investment focus with particular emphasis on the mining and non-ferrous metals sectors.

GF Fund Management and GF International Investment Management (together "GF Fund")

GF Fund Management Co., Ltd. ("**GF Fund Management**") was established on August 5, 2003. GF Fund Management and its subsidiaries hold licenses for public fund management, domestic investment management of social security funds, securities investment management of basic pension insurance funds, specific client asset management, QDII, RQFII, QFII, QDLP, entrusted insurance fund investment management, insurance protection fund entrusted asset management, and fund investment advisory services. GF Fund Management is a large fund management company with comprehensive asset management capabilities and experience. It is controlled as to 54.53% by GF Securities Co., Ltd. (廣發証券股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000776.SZ) and the Stock Exchange (stock code: 01776.HK). The subscription of the Offer Shares as a cornerstone investor will be made by GF Fund Management in its capacity as the discretionary investment manager of certain funds and/or independent segregated accounts under its management. Save for Lu Yongjian, Ma Jiaping and Li Yong (each being an Independent Third Party to its best knowledge), no other single ultimate beneficial owner holds 30% or more interest in such funds and/or independent segregated accounts and, to the best knowledge of GF Fund Management, each fund and/or account is an Independent Third Party.

GF International Investment Management Limited ("**GF International Investment Management**") (central number in the Hong Kong Securities and Futures Commission license: AXL121) was established in December 2010 with a registered capital of HK$500 million, holding licenses from the SFC for Type 1 (securities trading), Type 4 (advising on securities), and Type 9 (asset management) regulated activities. It is a wholly-owned subsidiary of GF Fund Management. The subscription of the Offer Shares as a cornerstone investor will be made by GF International Investment Management in its capacity as the discretionary investment manager of certain funds and/or independent segregated accounts under its management. Save for Lavender Paul Andrew, Michael Sihong Ren, Li Shuwei and Qin Tianyu (each being an Independent Third Party to its best knowledge), no other single ultimate beneficial owner holds 30% or more interest in such funds and/or independent segregated accounts and, to the best knowledge of GF International Investment Management, each fund and/or account is an Independent Third Party.

The Offer Shares to be allocated and issued to GF Fund Management and GF International Investment Management in their capacity as investment managers acting as agents on behalf of certain clients, will be held on a discretionary basis for and on behalf of clients who are Independent Third Parties to the best knowledge of GF Fund Management and GF International Investment Management.

Fullgoal HK and Fullgoal Fund

Established in 2012 in Hong Kong, Fullgoal Asset Management (HK) Limited ("**Fullgoal HK**") is a wholly owned subsidiary of Fullgoal Fund Management Co., Ltd. ("**Fullgoal Fund**"). Fullgoal HK has Type 1 (Dealing in Securities), Type 4 (Advising on Securities) and Type 9 (Asset Management) licenses issued by the SFC. The subscription of the Offer Shares as a cornerstone investor will be made by Fullgoal HK in its capacity as the sole management shareholder or investment manager of certain funds under its management, being one open-ended publicly raised securities investment fund and one asset management scheme. As confirmed by Fullgoal HK, no single ultimate beneficial owner holds 30% or more interest in such funds, and, to the best knowledge of Fullgoal HK, each of such funds is an Independent Third Party.

Fullgoal Fund is a fund management company established in China in April 1999, and is one of the first ten fund management companies authorized by the CSRC and other regulatory authorities to obtain full licenses to provide asset management services in the PRC. Fullgoal Fund has a registered capital of RMB520 million and its main scope of business includes the provision of traditional fund management services, fund raising, fund sale and asset management solutions to both domestic and overseas clients. Fullgoal Fund is a QDII approved by the relevant PRC authority and is also the first fund management company with foreign equity participation among the first ten fund management companies in China. The relevant funds proposed to subscribe for the Offer Shares under the management of Fullgoal Fund are open-ended publicly raised securities investment funds registered with the CSRC. Each of such funds has a wide spread of ultimate clients, none of whom holds more than 30% interest therein, and to the best knowledge of Fullgoal Fund, each fund is an Independent Third Party.

The shareholders of Fullgoal Fund include (i) Guotai Haitong Securities Co., Ltd. (國泰海通證券股份有限公司) holding 27.775% in Fullgoal Fund; (ii) Shenwan Hongyuan Securities Co., Ltd. (申萬宏源證券有限公司) holding 27.775% in Fullgoal Fund; (iii) Bank of Montreal holding 27.775% in Fullgoal Fund, and (iv) Shandong Financial Asset Management Co., Ltd. (山東省金融資產管理股份有限公司), holding 16.675% in Fullgoal Fund.

Zhengxin

Zhengxin Group Investment Limited ("**Zhengxin**"), an investment holding company incorporated in the British Virgin Islands in July 2020, specializes in Hong Kong equity investments and trading with a focus on non-ferrous metals, rare metals, technology, artificial intelligence, and new energy sectors. The ultimate beneficial owner is Mr. Su Ruitong (**Mr. Su**), an independent third party. With over a decade of investment experience, Mr. Su possesses profound expertise in Hong Kong IPO processes, stock investment strategies, and risk management.

CLOSING CONDITIONS

The obligation of each Cornerstone Investor to subscribe for the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Listing Committee and AIX having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange and AIX;

(iii) no laws shall have been enacted or promulgated which prohibits the consummation of the transactions contemplated in the Global Offering or the respective Cornerstone Investment Agreement, and there being no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(iv) the respective agreements, representations, warranties, undertakings, confirmations and acknowledgements of the Cornerstone Investors under the respective Cornerstone Investment Agreement are (as of the date of the Cornerstone Investment Agreement) and will be (as of the Closing (as defined in the Cornerstone Investment Agreement)) accurate and true in all respects and not misleading and that there is no breach of the respective Cornerstone Investment Agreement on the part of the relevant Cornerstone Investor.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each Cornerstone Investor has agreed that without the prior written consent of our Company, the Sole Sponsor and the Overall Coordinators, it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of, in any way, any of the Offer Shares it has purchased, pursuant to the respective Cornerstone Investment Agreement, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of the Cornerstone Investor, including the Lock-up Period restriction.

You should read the following discussion and analysis in conjunction with our consolidated financial information as of and for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, including the notes thereto, in the Accountant's Report of our Group set out in Appendix I to this prospectus. Our consolidated financial information has been prepared in accordance with HKFRS.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are based on our assumptions and analysis in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, whether actual outcomes and developments will meet our expectations and predictions depends on a number of risks and uncertainties, many of which we cannot control or foresee. In evaluating our business, you should carefully consider all of the information provided in the prospectus, including the sections headed "Risk Factors" and "Business."

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a tungsten mining company focusing on the development of our Boguty Project based in Kazakhstan, which was the world's largest open-pit tungsten mine in terms of Mineral Resources of tungsten trioxide (WO_3) as of December 31, 2024, according to Frost & Sullivan.

During the Track Record Period, we primarily focused on preparing our Boguty Project for commercial production and as a result, we recorded a net loss of HK$94.5 million, HK$80.1 million, HK$176.5 million and HK$7.0 million in the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. Our Boguty Project commenced phase I commercial production in April 2025, and we started to generate revenue in the six months ended June 30, 2025.

BASIS OF PREPARATION AND PRESENTATION

Our Company was incorporated in Hong Kong as a limited liability company on August 29, 2014. Our historical financial information has been prepared in accordance with HKFRS as issued by the Hong Kong Institute of Certified Public Accountants and the requirements of the Hong Kong Companies Ordinance Cap. 622. The historical financial information has been prepared under the historical cost convention.

The accounting policies applied in the preparation of the historical financial information have been consistently applied throughout the Track Record Period, unless otherwise stated. All applicable new and amended HKFRS that have come into effect during the Track Record Period have been adopted by us in the preparation of the historical financial information throughout the Track Record Period, except for any amended standards and interpretation that are not yet effective during the Track Record Period.

The preparation of the historical financial information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires our management to exercise their judgment in the process of applying our accounting policies. The areas that involve a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the historical financial information are disclosed in note 4 to the Accountant's Report set out in Appendix I to this prospectus.

During the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, we recorded net loss of HK$94.5 million, HK$80.1 million, HK$176.5 million and HK$7.0 million respectively, as we primarily focused on preparing our Boguty Project for commercial production during the Track Record Period. In preparing our historical financial information, our Directors have taken into account projected cash flow covering a period of not less than 12 months from June 30, 2025, our financial position as of June 30, 2025 and sources of financing in the next 12 months from June 30, 2025, including additional banking facilities, funds raising from issuance of new shares or financial support from our shareholders, and concluded that we have sufficient financial resources to meet our financial obligations for the foreseeable future. Consequently, the historical financial information has been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal courses of business.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our results of operations have been, and are expected to continue to be, affected by a number of factors, which primarily include the following:

Stage of Development

Our results of operations have varied, and are expected to continue to vary, depending on the stage of development. During the Track Record Period, our activities had largely consisted of obtaining mining rights and construction and development of our mining facilities to prepare the Boguty Project for production. We commenced phase I commercial production of our Boguty Project in April 2025. As a result, our historical operating results are not indicative of the operating results we expect to experience when our Boguty Project becomes fully operational.

Our financial position and operating results have primarily been affected by costs associated with the acquisition of mining rights, feasibility studies, site preparation, infrastructure development, associated staff costs, costs of consumables, utility costs and other costs associated with development and construction. To the extent that we continue to engage in development and construction activities, our results of operations will be affected by these and other costs associated with the pre-production stage of development. After we progress our mining activities into the production and sale of tungsten ore, our results of operations will be affected by a variety of additional factors, including production levels, tungsten ore prices, sales volume of tungsten ore and cost of sales of tungsten ore, among others, as well as levels of capital expenditures required for later stages of our development, particularly in relation to expansion of capacity for our facilities and other infrastructure development. See also "Business—Development Plan and Planned Production Schedule" for details of our development plan.

Demand and Price of Tungsten Ore Concentrate

Our main product is tungsten ore concentrate. Our results of operations and financial condition will be affected by the demand and price of tungsten ore concentrate. Factors which could potentially impact the price of tungsten ore concentrate include, among others, price of raw materials, the global supply and demand for tungsten ore concentrate products, the availability of substitutes, and the development of industries that require tungsten ore concentrate. Our sales volume will be affected primarily by factors such as (i) our mining and processing capacity of the tungsten ore; (ii) our target customers' preference and potential demand for our products; (iii) our ability to produce qualified minerals and transport our products to customers; and (iv) commodity prices.

Production Efficiency

Our production efficiency will be affected by factors such as (i) the timing of obtaining regulatory approvals required for our operations; (ii) our ability to recruit and train sufficient qualified staff; (iii) the grade, tonnage and other metallurgical characteristic of the tungsten ore that we actually mined; and (iv) any unusual or unexpected geological condition encountered during our mining and production.

Availability and Cost of Financing

Our ability to secure sufficient funding for the development of our Boguty Project on commercially reasonable terms affects our business operations, financial performance and financial condition. During the Track Record Period, we financed our working capital and other liquidity requirement primarily through bank borrowings, shareholder loans and internal funds.

As of December 31, 2022, 2023 and 2024 and June 30, 2025, our total outstanding indebtedness, mainly including bank borrowings and amounts due to shareholders, amounted to HK$566.7 million, HK$1,652.2 million, HK$1,713.0 million and HK$1,964.7 million, respectively. See "—Indebtedness." The weighted average effective interest rate of our bank borrowings and amounts due to shareholders as of December 31, 2022, 2023 and 2024 and June 30, 2025 was 2.13%, 4.07%, 3.42% and 2.81%, respectively. We may continue to seek financing to support our business expansion. An increase in our finance costs will negatively affect our profitability and results of operations and the availability of financing will affect our ability to develop our Boguty Project, which may in turn affect our results of operations and financial condition.

Taxation

Kazakhstan tax legislation and practice is in a state of continuous development, and therefore is subject to varying interpretations and frequent changes, which may be retroactive. Tax authorities in Kazakhstan can conduct a retroactive review for five years after the end of a tax year. Any material change in Kazakhstan tax legislation or practice may affect our business, financial condition and results of operations. See "Risk Factors—Risks Relating to Conducting Business in Kazakhstan—The taxation system and the interpretation and application of tax laws and regulations in Kazakhstan are under development" for a detailed discussion of relevant risks.

Foreign Exchange Rates

Our foreign currency transactions were mainly denominated in Euro, U.S. dollars, Renminbi and Tenge. We recorded net foreign exchange losses under our net other losses of HK$32.5 million, HK$9.6 million, HK$84.8 million and HK$25.2 million in the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively; we also recorded net foreign exchange losses related to borrowings under our net finance costs of HK$0.6 million, HK$9.2 million, HK$107.8 million, nil and HK$93.1 million in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, due to fluctuation in foreign exchange rates. See "—Discussion of Selected Items from the Consolidated Statements of Comprehensive Loss—Other Losses, Net", "—Discussion of Selected Items from the Consolidated Statements of Comprehensive Loss—Finance Costs, Net" and note 9 to the Accountant's Report set out in Appendix I to this prospectus for details. Our results of operations, which are presented in Hong Kong dollars, may continue to be affected by any material fluctuations in the exchange rate of HKD/EUR, HKD/RMB, RMB/USD, EUR/RMB or RMB/KZT.

MATERIAL ACCOUNTING POLICY INFORMATION AND ESTIMATES

Material accounting policy information and estimates are those accounting policies and estimates that involve significant judgments and uncertainties and potentially yield materially different results under different assumptions and conditions. Our historical financial information has been prepared in accordance with the HKFRS, which requires that we adopt accounting policies and make estimates that we believe are the most appropriate in the circumstances for the purposes of giving a true and fair view of our financial performance and financial position. Estimates and judgments are based on historical experience, prevailing market conditions and rules and regulations, and are reviewed on a continual basis taking into account of the changing environment and circumstances. Our material accounting policy information, estimates and judgments, which are important for an understanding of our financial condition and results of operations, are summarized below. Please also see notes 2 and 4 to the Accountant's Report as set out in Appendix I to this prospectus.

Property, Plant and Equipment

We state property, plant and equipment at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of property, plant and equipment includes the estimated cost of mine rehabilitation, restoration and dismantling.

We include subsequent costs in the asset's carrying amount or recognize subsequent costs as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our Group and the cost of the item can be measured reliably. We derecognize the carrying amount of the replaced part. We charge all other repairs and maintenance to profit or loss during the financial period in which they are incurred.

We calculate depreciation using the following method to allocate their costs, net of their residual values, over their useful life as follows:

Buildings and infrastructures	Straight-line over 10-15 years
Mining development assets	Units-of-production
Machinery	Straight-line over shorter of remaining period of subsurface use rights or 20 years
Vehicles	Straight-line over 4-15 years
Computer equipment and others	Straight-line over 2-8 years

We review and adjust, if appropriate, the assets' residual values and useful lives at the end of each reporting period. We write down an asset's carrying amount immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

We determine gains and losses on disposals by comparing the proceeds with the carrying amounts and include such gains and losses in the profit or loss.

Exploration and Evaluation Assets

Exploration and evaluation activities include expenditure to identify potential mineral resources, determine the technical feasibility and assess the commercial viability of the potential mineral resources. We recognize exploration and evaluation costs that are incurred before we have obtained the legal right to explore an area or are incurred up to and including the pre-feasibility phase in the profit or loss. We capitalize subsequent exploration and evaluation costs as exploration and evaluation asset.

We treat exploration and evaluation assets as tangible assets and classify such assets as part of property, plant and equipment. We do not depreciate the assets that are not yet ready for use. We carry forward exploration and evaluation assets if the rights to the area of interest are current and the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by the sale of the asset. Exploration and evaluation assets shall no longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable. Once the technical feasibility and commercial viability of the development of an area of interest are demonstrable, we first test exploration and evaluation assets attributable to that area of interest for impairment and then reclassify to mining development assets within property, plant and equipment. We test exploration and evaluation assets for impairment whenever facts and circumstances indicate assets' impairment. We recognize an impairment loss for the amount by which exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is higher of the exploration and evaluation assets' fair value less costs to sell and their value in use.

In 2022, 2023 and 2024 and the six months ended June 30, 2025, we incurred exploration and evaluation costs of HK$4.7 million, HK$0.4 million, HK$0.5 million and nil, respectively. Such costs incurred in 2022 were capitalized as exploration and evaluation assets under property, plant and equipment. We had reclassified all the exploration and evaluation assets to mining development assets as of December 31, 2022. The exploration and evaluation costs incurred in 2023 and 2024 were charged to administrative expenses.

Development Assets and Construction in Progress

Mining development assets comprised the amounts transferred from exploration and evaluation assets, subsequent stripping costs and all subsequent expenditures to develop the mine in production phase. On completion of development, we reclassify balances of construction in progress to mining assets.

We state construction in progress at cost less any impairment losses and we do not depreciate construction in progress. Cost also comprises the direct construction costs and capitalized borrowing costs on related borrowing to finance the construction.

Subsurface Use Rights

We state our subsurface use rights granted until 2040 at cost less accumulated amortization and impairment, if any. The acquisition cost of subsurface use right includes the subscription bonus, commercial discovery bonus and acquisition cost of subsurface use rights. We amortize the subsurface use right using the unit-of-production method, based on lower of the volume of ore reserves or ore permitted to be mined as stipulated in the subsurface use right, from the time of beginning of tungsten ore mining.

Impairment of Non-Financial Assets

Intangible assets that are not yet available for use are not subject to amortization and we test such intangible assets annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. We test other assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. We recognize an impairment loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, we group assets at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). We review non-financial assets other than goodwill that suffered an impairment for possible reversal of the impairment at the end of each reporting period.

We recorded net loss throughout the Track Record Period, as we primarily focused on preparing our Boguty Project for commercial production during the Track Record Period and just commenced commercial production for phase I in April 2025. We periodically monitored and evaluated our cash outflows and loss position in each reporting period and found that it was in line with our budget in material aspect. There is no evidence available that indicates that the economic performance of our assets are, or will be, worse than expected. Therefore, the impairment indicator does not exist in accordance with Hong Kong Accounting Standards (HKAS) 36.

Inventories

We state our inventories at the lower of cost and net realizable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor, overburden removal, mining, processing, and an appropriate proportion of production overheads, mine rehabilitation costs incurred in the extraction process and other fixed and variable costs directly related to mining activities. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

Provisions and contingent liabilities

We recognize the provisions when our Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. We do not recognize the provisions for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. We recognize a provision even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

We measure the provisions at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Asset retirement obligations

We recognize our asset retirement obligations which meet the criteria of provisions as provisions and the amount recognized is the present value of the estimated future expenditure relating to the rehabilitation, restoration and dismantling of areas disturbed during the mine's operations up to the reporting date but not yet rehabilitated. The estimated future expenditures includes the cost of recontouring, top soiling and revegetation to meet legislative requirements and is determined in accordance with assets conditions and legal requirements.

We recognize our interest expenses from the assets retirement obligations for each period with the effective interest method during the useful life of the related property, plant and equipment. Uncertainty exists as to the amount of asset retirement obligations that will be incurred due to the impact of changes in environmental legislation, and many other factors, including future developments, changes in technology, price increases and changes in interest rates. The amount of the provision relating to mine rehabilitation, restoration and dismantling obligations is recognized at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time.

We recognize the provision as a liability, separated into current (estimated expenditure arising within 12 months) and non-current components, based on the expected timing of these cash flows. A corresponding asset is included in property, plant and equipment, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity, otherwise a corresponding expense is recognized in the profit or loss. The capitalized cost of this asset is recognized in property, plant and equipment and is amortized over the life of the mine. At each reporting date, the rehabilitation liability is remeasured in line with changes in discount rates, and timing or amounts of the costs to be incurred.

If a decrease in the provision exceeds the carrying amount of the property, plant and equipment recognized corresponding to the provision, the excess shall be recognized immediately in profit or loss. If the conditions for the recognition of the provisions are not met, the expenditures for asset retirement will be expensed in profit or loss when occurred.

Borrowings and borrowings costs

We initially recognize our borrowings at fair value, net of transaction costs incurred. Subsequently, we measure our borrowings at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from consolidated statements of financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalized. Other borrowing costs are expensed in the period in which they are incurred. Capitalization of borrowing costs includes capitalizing foreign exchange differences relating to borrowings to the extent that they are regarded as an adjustment to interest costs. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

The commencement date for capitalization is when (a) we incur expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

Revenue

We recognize our revenue from contracts with customers when control of goods or services is transferred to the customers at an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. We present our revenue net of value-added tax, returns and discounts.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which we will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

We recognize the sales of goods, tungsten concentrate, at the point in time when control of the goods is transferred to the customer, generally on delivery of goods and the transfer of the legal ownership to the customers.

Current and deferred income tax

Current income tax

We calculate current income tax charge on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country/area where we operate and generate taxable income. Our management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. We measure our tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax

We recognize deferred income tax using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from the initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction neither accounting nor taxable profit or loss is affected and does not give rise to equal taxable and deductible temporary differences. We determine deferred income tax using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

We recognize deferred income tax assets only to the extent that it is probable that future taxable profit will be available to utilize those temporary differences and tax losses.

We do not recognize deferred tax liabilities and assets for temporary differences between the carrying amount and tax bases of investments in foreign operations where we are able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Offsetting

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and current tax liabilities where the deferred income taxes assets and liabilities relate to income tax levied by the same taxation authority. Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

We recognize current and deferred tax in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

During the Track Record Period, we did not incur any income tax expenses, as our Boguty Project was primarily at the development stage and we incurred losses before income tax. In the six months ended June 30, 2025, as we commenced phase I commercial production at our Boguty Project, our management considered it is probable that future taxable profits will be available to utilize the related tax losses, and therefore, we recognized deferred income tax assets on tax losses carried forward and result in an income tax credit of HK$82.6 million for the six months ended June 30, 2025. The recognition of deferred tax income assets involves significant judgments and estimates made by our management in respect of future results of operations, in particular, future taxable profits available to utilize tax losses. As such, such judgments and estimates may potentially yield materially different results under different assumptions and conditions.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of our Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). Our historical financial information is presented in HK$, which is our Company's functional and the Group's presentation currency. We changed the functional currency of Subsidiary ZV, which is our Group's major subsidiary in Kazakhstan who operates the Boguty tungsten mine to RMB upon the commencement of commercial production and sales of tungsten concentrate during the six months ended June 30, 2025 after considering the price of its products sales in the foreseeable future is generally being affected by RMB.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year/period end exchange rates are generally recognized in profit or loss. Foreign exchange gains and losses are presented in the profit or loss on a net basis within other losses, net.

Group companies

The results and financial positions of our overseas subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statements of financial position;

- income and expenses for each statement of comprehensive loss is translated at average exchange rates during the reporting period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

- all resulting currency translation differences are recognized in other comprehensive income.

Employee Benefits

We participate in various defined contribution retirement benefit plans schemes which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments or trustee-administered funds. A defined contribution plan is a pension plan under which we pay contributions on a mandatory, contractual or voluntary basis into a separate fund. We have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. We expense our contributions to the defined contribution plans as incurred and do not reduce such contributions by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions. We have not utilized forfeited contributions to reduce the existing contributions.

We recognize our employees' entitlements to annual leave when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. We do not recognize our employees' entitlements to sick leave and maternity leave until the time of leave.

We accrue discretionary bonus for the year in which the associated services are rendered by our employees. We expect to settle liabilities for discretionary bonus within twelve months and we measure such liabilities at the amounts expected to be paid when they are settled.

DESCRIPTION OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

The following table sets forth a summary of our consolidated statements of comprehensive loss for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	–	–	–	–	126,313
Cost of sales	–	–	–	–	(108,332)
Gross profit	–	–	–	–	17,981
Administrative expenses	(41,061)	(67,854)	(75,940)	(33,241)	(60,499)
Other losses, net	(34,029)	(9,437)	(83,749)	(30,158)	(27,200)
Operating loss	(75,090)	(77,291)	(159,689)	(63,399)	(69,718)
Finance income	5,293	1,908	78	70	19
Finance costs	(24,653)	(4,746)	(16,918)	(1,640)	(19,856)
Finance costs, net	(19,360)	(2,838)	(16,840)	(1,570)	(19,837)
Loss before income tax	(94,450)	(80,129)	(176,529)	(64,969)	(89,555)
Income tax credit	–	–	–	–	82,566
Loss for the year/period	**(94,450)**	**(80,129)**	**(176,529)**	**(64,969)**	**(6,989)**
Loss for the year/period attributable to:					
Equity holders of the Company	(93,661)	(78,920)	(172,970)	(63,617)	(5,996)
Non-controlling interests	(789)	(1,209)	(3,559)	(1,352)	(993)
	(94,450)	**(80,129)**	**(176,529)**	**(64,969)**	**(6,989)**
Other comprehensive income					
Items that may be reclassified to profit or loss					
Exchange differences on translation of foreign operations	4,179	(2,950)	17,076	5,715	(9,818)
Other comprehensive (loss)/income for the year/period	4,179	(2,950)	17,076	5,715	(9,818)
Total comprehensive loss for the year/period	**(90,271)**	**(83,079)**	**(159,453)**	**(59,254)**	**(16,807)**
Losses per share for loss attributable to equity holders of the Company (expressed in HK$ per share)					
Basic and diluted	(7,961)	(6,708)	(14,702)	(5,407)	(510)

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

Revenue

We commenced commercial production in April 2025 and started to generate revenue of HK$126.3 million in the six months ended June 30, 2025, which was derived from the sale of tungsten ore concentrate.

Cost of sales

Our cost of sales mainly consists of consumables, stripping costs, depreciation, energy and change of inventory. The following table sets forth the breakdown of our cost of sales by nature for the periods indicated:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Consumables	–	–	–	–	95,329
Stripping costs	–	–	–	–	44,656
Energy	–	–	–	–	16,566
Employee benefit expenses	–	–	–	–	8,626
Depreciation	–	–	–	–	24,725
Amortization	–	–	–	–	69
Transportation and delivery expenses	–	–	–	–	774
Others[1]	–	–	–	–	7,831
Change of inventory	–	–	–	–	(90,244)
	–	**–**	**–**	**–**	**108,332**

Note:

(1) Others mainly include mining tax and resource tax.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we started to generate gross profit of HK$18.0 million in the six months ended June 30, 2025, representing a gross profit margin of 14.2%.

Administrative Expenses

Our administrative expenses mainly consist of employee benefit expenses, listing expenses, insurance expenses, office expenses, depreciation and other miscellaneous expenses. The following table sets forth the breakdown of our administrative expenses for the periods indicated:

	For the year ended December 31,						For the six months ended June 30,			
	2022		2023		2024		2024		2025	
	HK$'000	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*	*HK$'000*	*%*
Employee benefit expenses	26,172	63.7	26,818	39.5	39,542	52.1	14,367	43.2	31,330	51.8
Listing expenses	557	1.4	19,077	28.1	11,535	15.2	7,450	22.4	13,462	22.3
Mining evaluation cost	–	–	431	0.6	466	0.6	2,277	6.8	–	–
Insurance expenses	1,435	3.5	3,214	4.7	3,193	4.2	1,664	5.0	1,622	2.7
Traveling and business conference expenses	3,110	7.6	2,922	4.3	3,266	4.3	1,187	3.6	1,967	3.3
Legal and professional fees	2,847	6.9	2,537	3.7	3,412	4.5	916	2.8	1,125	1.9
Depreciation	723	1.8	1,658	2.4	1,845	2.4	874	2.6	928	1.5
Contributions to local community	526	1.3	3,768	5.6	3,079	4.1	606	1.8	8	0.0
Auditors' remuneration	820	2.0	820	1.2	738	1.0	410	1.2	410	0.7
Office expenses	839	2.0	674	1.0	754	1.0	232	0.7	4,092	6.8
Short-term lease expenses	925	2.3	563	0.8	919	1.2	309	0.9	473	0.8
Others	3,107	7.6	5,372	7.9	7,191	9.5	2,949	8.9	5,082	8.4
Total	**41,061**	**100.0**	**67,854**	**100.0**	**75,940**	**100.0**	**33,241**	**100.0**	**60,499**	**100.0**

Our administrative expenses increased by 65.3% from HK$41.1 million in 2022 to HK$67.9 million in 2023 primarily attributable to an increase in listing expenses of HK$18.5 million from 2022 to 2023.

Our administrative expenses increased by 11.9% from HK$67.9 million in 2023 to HK$75.9 million in 2024, primarily attributable to (i) an increase in our employee benefit expenses from HK$26.8 million in 2023 to HK$39.5 million in 2024 as we increased the number of our employees in preparation for near-term trial production and commercial production; and (ii) an increase in other expenses from HK$5.4 million in 2023 to HK$7.2 million in 2024 as we incurred additional advertising costs and maintenance expenses for the Boguty Project; which were partially offset by a decrease in listing expenses from HK$19.1 million in 2023 to HK$11.5 million in 2024.

Our administrative expenses increased by 82.2% from HK$33.2 million in the six months ended June 30, 2024 to HK$60.5 million in the same period of 2025, primarily attributable to (i) an increase in our employee benefit expenses from HK$14.4 million in the six months ended June 30, 2024 to HK$31.3 million in the same period of 2025 as we increased the number of our employees for commercial production; and (ii) an increase in listing expenses from HK$7.5 million in the six months ended June 30, 2024 to HK$13.5 million in the same period of 2025, in line with the progress of our preparatory work for the Listing.

Other Losses, Net

Our other net losses primarily include net foreign exchange (losses)/gains resulting from the depreciation/appreciation of Euro, U.S. dollars, Renminbi and Tenge against Hong Kong dollars as majority of our transactions was denominated in Euro, U.S. dollars, Renminbi and Tenge. The following table sets forth the breakdown of our other gains or losses for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	**2023**	**2024**	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Foreign exchange losses, net	(32,511)	(9,555)	(84,813)	(30,502)	(25,158)
Others[1]	(1,518)	118	1,064	344	(2,042)
Total	**(34,029)**	**(9,437)**	**(83,749)**	**(30,158)**	**(27,200)**

Note:

(1) Others mainly include donated construction costs of optic fiber route, reimbursement of electricity charges by our contractors (which was incurred in 2024) and other sundry (losses)/gains.

Our net foreign exchange losses in 2022 primarily resulted from the depreciation of Renminbi against Hong Kong dollars in such period in connection with our cash on hand denominated in Renminbi. Our net foreign exchange losses in 2023 primarily resulted from the depreciation of Tenge against EUR in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to Tenge, its functional currency. Our net foreign exchange losses in 2024 primarily resulted from the depreciation of Tenge against Euro in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to Tenge, its functional currency. Our net foreign exchange losses in the six months ended June 30, 2025 primarily resulted from the depreciation of RMB against Euro in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to RMB, after its change of functional currency from Tenge to RMB during the period.

We constructed an optic fiber route as part of the infrastructure development and entered into a donation arrangement with Kazakhtelecom in 2022 to donate part of our constructed optic fiber route to Kazakhtelecom. As a result of such arrangement, we recorded other losses under our other net losses of HK$1.5 million in 2022, which represented construction costs of the donated optic fiber route. In the six months ended June 30, 2025, we recorded other losses under our other net losses of HK$27 million, primarily because of the sundry loss on disposal of scrap materials that are not used for production.

Finance Costs, Net

Our finance income represents our interest income on deposits in financial institutions. Our finance costs consist of (i) interest expenses primarily arising from our bank borrowings and amounts due to shareholders, (ii) unwinding of discounts of our long-term payables and accruals and (iii) foreign exchange gains and losses in relation to our interest expenses, less amount capitalized in relation to our borrowings specifically financed for the construction of our Boguty Project. The following table sets forth the breakdown of our net finance income/(costs) for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Finance income:					
Interest income on deposits in financial institutions	5,293	1,908	78	70	19
Finance costs:					
Interest expenses	(29,224)	(40,239)	(86,722)	(37,892)	(34,997)
Unwinding of discount	(311)	(4,057)	(2,269)	(3,652)	(268)
Foreign exchange losses	(583)	(9,155)	(107,771)	–	(93,111)
	(30,118)	(53,451)	(196,762)	(41,544)	(128,376)
Less: amount capitalized	5,465	48,705	179,844	39,904	108,520
	(24,653)	(4,746)	(16,918)	(1,640)	(19,856)
Finance costs, net	**(19,360)**	**(2,838)**	**(16,840)**	**(1,570)**	**(19,837)**

We discounted our long-term payables and unwinded such discounts during each subsequent period until the payables are settled. In 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, we recorded HK$0.3 million, HK$4.1 million, HK$2.3 million, HK$3.7 million and HK$0.3 million of such unwinding of discounts, respectively.

We capitalize finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale. Accordingly, we capitalized interest expenses of HK$5.5 million, HK$48.7 million, HK$179.8 million, HK$39.9 million and HK$24.9 million in 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively, into property, plant and equipment in relation to the borrowings specifically financed for the construction of our Boguty Project.

Our interest income on deposits in financial institutions decreased by 64.0% to HK$1.9 million in 2023, primarily due to a decrease in our time deposit in 2023 as we spent cash to support our development of the Boguty Project and our daily operations. Our interest income on deposits in financial institutions then decreased significantly by 95.9% to HK$78,000 in 2024 and then further decreased to HK$19,000 for the six months ended June 30, 2025, primarily due to further decrease in our bank deposit in such periods as we spent cash to support our development of the Boguty Project and our daily operations.

Our foreign exchange losses increased significantly from HK$0.6 million in 2022 to HK$9.2 million in 2023, and further to HK$107.8 million in 2024, primarily due to the increase in our Euro denominated borrowings, and appreciation of EUR during the Track Record Period. Our foreign exchange losses were HK$93.1 million in the six months ended June 30, 2025, primarily attributable to appreciation of EUR.

Our interest expenses increased significantly from HK$29.2 million in 2022 by 37.7% to HK$40.2 million in 2023, which was in line with our increased bank borrowings driven by the increased capital needs as we develop the Boguty Project. In addition, pursuant to the supplemental loan agreement we entered into in February 2023, the weighted average effective interest rate of our bank borrowings increased from 1.24% as of December 31, 2022 to 4.07% as of December 31, 2023, which contributed to the increase in our interest expenses from 2022 to 2023. Our interest expenses increased significantly from HK$40.2 million in 2023 to HK$86.7 million in 2024, which was in line with our increased bank borrowings driven by the increased capital needs as we develop the Boguty Project. Our interest expenses decreased from HK$37.9 million for the six months ended June 30, 2024 to HK$35.0 million for the same period of 2025, which remained stable. See "—Indebtedness" below for details of the bank borrowings and amounts due to shareholders.

Income Tax Expense

During the Track Record Period, we did not incur any income tax expenses, as our Boguty Project was primarily at the development stage and we incurred losses before income tax. In the six months ended June 30, 2025, as we commenced phase I commercial production at our Boguty Project, our management considered it is probable that future taxable profits will be available to utilize the related tax losses, and therefore, we recognized deferred income tax assets of HK$82.6 million on tax losses carried forward, resulting in an income tax credit of HK$82.6 million. As of June 30, 2025, we had unused tax losses of HK$295.9 million.

During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the relevant jurisdictions and did not have any disputes or unresolved tax issues with the relevant tax authorities in all material respects. Our principal applicable taxes and tax rates are set forth as follows:

- *Hong Kong*. Our Company is subject to Hong Kong profits tax at a rate of 16.5% during the Track Record Period.

- *Kazakhstan*. Our subsidiaries in Kazakhstan are subject to Kazakhstan profits tax at a rate of 20% during the Track Record Period.

- *PRC*. Our subsidiary in PRC is subject to PRC corporate income tax at a general rate of 25% during the Track Record Period.

- *Luxembourg*. Our subsidiary in Luxembourg is subject to the Luxembourg corporate income tax at a general rate of 15% during the Track Record Period.

RESULTS OF OPERATIONS OF OUR GROUP

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

We did not generate any revenue in the six months ended June 30, 2024. We commenced commercial production in April 2025 and started to generate revenue of HK$126.3 million in the six months ended June 30, 2025, which was derived from the sale of tungsten ore concentrate.

Cost of Sales

We did not have any cost of sales in the six months ended June 30, 2024. We commenced commercial production in April 2025 and recorded cost of sales of HK$108.3 million in the six months ended June 30, 2025.

Gross Profit and Gross Profit Margin

As a result of the foregoing, we had gross profit of HK$18.0 million in the six months ended June 30, 2025, with a gross profit margin of 14.2%.

Administrative Expenses

Our administrative expenses increased by 82.2% from HK$33.2 million in the six months ended June 30, 2024 to HK$60.5 million in the same period of 2025 primarily attributable to (i) an increase in our employee benefit expenses from HK$14.4 million in the six months ended June 30, 2024 to HK$31.3 million in the same period of 2025 as we increased the number of our employees for commercial production; and (ii) an increase in listing expenses from HK$7.5 million in the six months ended June 30, 2024 to HK$13.5 million in the same period of 2025, in line with the progress of our preparatory work for the Listing.

Other Losses, Net

Our other net losses decreased from HK$30.2 million in the six months ended June 30, 2024 to HK$27.2 million in the same period of 2025, primarily attributable to a decrease in foreign exchange losses, net from HK$30.5 million in the six months ended June 30, 2024 to HK$25.2 million in the same period of 2025.

Finance Costs, Net

Our net finance costs increased from HK$1.6 million in the six months ended June 30, 2024 to HK$19.8 million in the same period of 2025, primarily due to finance costs and foreign exchange losses ceasing to be capitalized for completed property, plant and equipment.

Income Tax Expense

We did not incur any income tax expense in the six months ended June 30, 2024. In the six months ended June 30, 2025, as we commenced phase I commercial production at our Boguty Project, our management considered it is probable that future taxable profits will be available to utilize the related tax losses, and therefore, we recognized deferred income tax assets of HK$82.6 million on tax losses carried forward, resulting in an income tax credit of HK$82.6 million for the period.

Loss for the Period

As a result of the above, we recorded net losses of HK$65.0 million and HK$7.0 million in the six months ended June 30, 2024 and the same period of 2025, respectively.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

We did not have any revenue or cost of revenue in 2023 or 2024.

Administrative Expenses

Our administrative expenses increased by 11.9% from HK$67.9 million in 2023 to HK$75.9 million in 2024, primarily attributable to (i) an increase in our employee benefit expenses from HK$26.8 million in 2023 to HK$39.5 million in 2024 as we increased the number of our employees in preparation for near-term trial production; and (ii) an increase in other expenses from HK$5.4 million in 2023 to HK$7.2 million in 2024 as we incurred advertising costs and maintenance expenses for the Boguty Project, and partially offset by a decrease in listing expenses from HK$19.1 million in 2023 to HK$11.5 million in 2024.

Other Losses, Net

Our other net losses increased significantly from HK$9.4 million in 2023 to HK$83.7 million in 2024, primarily attributable to a HK$75.3 million increase in foreign exchange losses, which was primarily due to the depreciation of Tenge against Euro in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to Tenge, its functional currency.

Finance Costs, Net

Our interest income decreased significantly by 95.9% from HK$1.9 million in 2023 to HK$78,000 in 2024, primarily due to further decrease in our time deposit in such period as we spent cash to support our development of the Boguty Project and our daily operations. Our finance costs increased from HK$4.7 million in 2023 to HK$16.9 million in 2024, primarily due to an increase in our foreign exchange losses in 2024 and a significant increase in our interest expenses that was in line with our increased bank borrowings driven by the increased capital needs as we develop the Boguty Project, which was partially offset by a substantial amount of our interest expenses being capitalized in 2024. As a result of the above, we recorded net finance costs of HK$2.8 million and HK$16.8 million in 2023 and 2024, respectively.

Income Tax Expense

We did not record any income tax expense in 2023 or 2024.

Loss for the Year

As a result of the above, we recorded net losses of HK$80.1 million and HK$176.5 million in 2023 and 2024, respectively.

Year Ended December 31, 2023 Compared to the Year Ended December 31, 2022

Revenue

We did not have any revenue or cost of revenue in 2022 or 2023.

Administrative Expenses

Our administrative expenses increased by 65.3% from HK$41.1 million in 2022 to HK$67.9 million in 2023 primarily attributable to an increase in listing expenses of HK$18.5 million from 2022 to 2023.

Other Losses, Net

Our other net losses decreased by 72.3% from HK$34.0 million in 2022 to HK$9.4 million in 2023, primarily attributable to a HK$23.0 million decrease in foreign exchange losses as we incurred significant foreign exchange losses in 2022 due to the depreciation of Renminbi against Hong Kong dollars in 2022 in connection with our cash on hand denominated in Renminbi.

Finance Costs, Net

Our interest income decreased by 64.0% from HK$5.3 million in 2022 to HK$1.9 million in 2023, primarily because our time deposit decreased from 2022 to 2023 as we spent cash to support our development of the Boguty Project and our daily operations. Our finance costs decreased by 80.7% from HK$24.7 million in 2022 to HK$4.7 million in 2023, primarily because a substantial amount of our interest expenses was capitalized in 2023. As a result of the above, we recorded net finance costs of HK$19.4 million and HK$2.8 million in 2022 and 2023, respectively.

Income Tax Expense

We did not record any income tax expense in 2022 or 2023.

Loss for the Year

As a result of the above, we recorded net losses of HK$94.5 million and HK$80.1 million in 2022 and 2023, respectively.

DISCUSSION OF SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The following table sets forth a summary of our assets and liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets				
Property, plant and equipment	267,441	1,001,693	1,494,752	1,685,167
Subsurface use rights	11,498	11,683	10,075	10,187
Prepayments and other assets	271,464	399,964	268,128	303,706
Deferred tax assets	–	–	–	81,901
	550,403	**1,413,340**	**1,772,955**	**2,080,961**
Current assets				
Inventories	–	–	12,941	94,611
Trade receivables	–	–	–	47,087
Prepayments	4,628	9,973	36,844	36,538
Other receivables	1,400	1,454	668	6,839
Cash and cash equivalents	99,496	476,687	41,440	32,662
	105,524	**488,114**	**91,893**	**217,737**
Current liabilities				
Trade payables	–	–	–	76,199
Other payables and accruals	37,377	31,950	86,464	70,322
Contract liabilities	–	–	31,783	165,414
Lease liabilities	112	–	–	–
Borrowings	–	3,246	184,643	279,094
Amounts due to shareholders	185,269	32,268	57,951	69,652
	222,758	**67,464**	**360,841**	**660,681**
Net current (liabilities)/assets	**(117,234)**	**420,650**	**(268,948)**	**(442,944)**
Non-current liabilities				
Other payables	20,777	70,937	46,708	51,922
Borrowings	381,346	1,616,687	1,470,386	1,615,989
	402,123	**1,687,624**	**1,517,094**	**1,667,911**
Net assets/(liabilities)	**31,046**	**146,366**	**(13,087)**	**(29,894)**

Property, Plant and Equipment

Our property, plant and equipment mainly included: (i) construction in progress in relation to the mining development of our Boguty Project, (ii) mining development assets, (iii) exploration and evaluation assets, which represents our exploration and evaluation costs incurred in our Boguty Project, (iv) buildings, (v) right-of-use assets and (vi) others. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had property, plant and equipment of approximately HK$267.4 million, HK$1,001.7 million, HK$1,494.8 million and HK$1,685.2 million, respectively.

Construction in progress was the largest component of our property, plant and equipment during the Track Record Period. Our construction in progress represents expenditures to develop our Boguty Project to production phase. Our construction in progress increased throughout the Track Record Period, which was in line with the development progress of our Boguty Project. Our construction in progress increased significantly from HK$228.4 million as of December 31, 2022 to HK$891.5 million as of December 31, 2023 as we commenced main project construction and pre-stripping in 2023. Our construction in progress further increased to HK$1,397.8 million as of December 31, 2024, as we advanced the construction of the Boguty Project. Our construction in progress decreased to HK$47.3 million as of June 30, 2025 after we commenced commercial production in April 2025.

Prepayments and Other Assets

Our prepayments primarily consist of (i) prepayment to contractors and suppliers primarily in relation to construction services and procurement of equipment, (ii) deductible value-added tax in relation to our construction and other expenditure, and (iii) deferred listing expenses. The following table sets forth a breakdown of our prepayments as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current:				
Prepayments to contractors and suppliers	245,541	290,588	116,758	118,635
Deductible value-added tax	24,693	105,737	149,276	174,270
Others	1,230	3,639	2,094	10,801
	271,464	399,964	268,128	303,706
Current:				
Deferred listing expenses	175	6,393	9,642	14,056
Prepayments to suppliers	2,136	2,073	19,451	17,479
Prepaid insurance fees	1,260	1,429	1,447	2,465
Others[(1)]	1,057	78	6,304	2,538
	4,628	9,973	36,844	36,538
Total	**276,092**	**409,937**	**304,972**	**340,244**

Note:

(1) Others mainly include deferred stripping related cost.

Our prepayment to contractors and suppliers primarily consist of our prepayments to CCECC, a related party of our Group. We entered into a general construction contract and an equipment procurement agreement with CCECC in July 2021 for the construction and development of our Boguty Project. As we progress the construction and development of the Boguty Project, our prepayments increased pursuant to the payment schedule of such agreement. Accordingly, our non-current prepayments to contractors and suppliers increased by 18.3% from HK$245.5 million as of December 31, 2022 to HK$290.6 million as of December 31, 2023. Our non-current prepayments to contractors and suppliers decreased by 59.8% from HK$290.6 million as of December 31, 2023 to HK$116.8 million as of December 31, 2024, primarily because we have continued to progress the construction and development of the Boguty Project and according to the construction project progress, such prepayments have been offset by the settlement amount upon completion of the construction project. Our non-current prepayments to contractors and suppliers remained stable at HK$116.8 million as of December 31, 2024 and HK$118.6 million as of June 30, 2025.

Our deductible value-added tax increased from HK$24.7 million as of December 31, 2022 to HK$105.7 million as of December 31, 2023, and further to HK$149.3 million as of December 31, 2024, and HK$174.3 million as of June 30, 2025, primarily because we acquired additional equipment and incurred other capital expenditure during the process of construction and development of our Boguty Project, the value-added tax of which are deductible.

We entered into a facility agreement (the "**Bank Loan Agreement**") with a commercial bank in September 2020 for a loan facility of up to EUR188.0 million (the "**Bank Loan**"). Pursuant to the Bank Loan Agreement, the draw down period of the Bank Loan is two years after the first draw-down and we shall make an upfront arrangement fee of 1.1% of the total loan facility. We accrued and recorded such upfront arrangement fee as prepayment and recognized such arrangement fee as finance costs as we drew down the facility. As we had not drawn down all the facility within the draw-down period, which lapsed in November 2022, we record the remaining prepaid upfront arrangement fee related to the undrawn facility of EUR141.7 million as finance expense in November 2022. We subsequently entered into a supplemental agreement with the bank in February 2023 and extended the draw-down period of unutilized facility to November 2023. As of June 30, 2025, we had drawn down all the facility under the Bank Loan. See "—Indebtedness—Borrowings" below for details of the Bank Loan.

Subsurface Use Rights

Our subsurface use rights represent the acquisition costs of subsurface use rights in relation to our Boguty Project, less impairment. As of December 31, 2022, 2023 and 2024 and June 30, 2025, we had subsurface use rights of HK$11.5 million, HK$11.7 million, HK$10.1 million and HK$10.2 million, respectively.

Inventories

We did not have inventories in 2022 and 2023 as our Boguty Project was still at the development stage. We recorded inventories in 2024 and the six months ended June 30, 2025 as we commenced trial production in November 2024 and phase I commercial production in April 2025. Our inventories primarily consist of (i) finished goods and (ii) raw materials (consumables, spare parts and others). As of June 30, 2025, we had inventories of HK$94.6 million, consisting of raw materials of HK$48.1 million and finished goods of HK$46.5 million.

As of July 31, 2025, HK$60.0 million, or 63.0% of our inventories as of June 30, 2025 had been subsequently used.

Trade receivables

Our trade receivables represent receivables from customers in relation to our sale of tungsten ore concentrate. We commenced commercial production and sale in the six months ended June 30, 2025 and had trade receivables of HK$47.1 million as of June 30, 2025.

The sales price of our tungsten ore concentrate is typically collectible by two instalments: 70% of the sales price are generally collectible within a few days after delivery and the remaining balance is collectible within 15 days after we issue the final invoice. As of June 30, 2025, all of our trade receivables were aged within 3 months, and we did not recognize any impairment loss as the expected credit loss was considered minimal. In the six months ended June 30, 2025, our trade receivables turnover days (calculated as average of the opening and closing balances of trade receivables of the relevant period divided by the revenue of the relevant period multiplied by 180 days) were 34 days.

As of July 31, 2025, 100.0% of our trade receivables as of June 30, 2025 had been subsequently settled.

Trade payables

Our trade payables represent payables in relation to the purchase of goods and services from our suppliers. We commenced commercial production and sale in the six months ended June 30, 2025 and had trade payables of HK$76.2 million as of June 30, 2025. As of June 30, 2025, all of our trade payables were aged within 3 months. In the six months ended June 30, 2025, our trade payables turnover days (calculated as the average of the opening and closing balances of trade payables of the relevant period divided by the cost of sales of the relevant period multiplied by 180 days) were 63 days.

As of July 31, 2025, HK$34.5 million, or 45.3% of our trade payables as of June 30, 2025 had been subsequently settled.

Other Payables and Accruals

Our payables and accruals primarily consist of (i) construction payables, (ii) asset retirement obligation in relation to our Boguty Project, (iii) listing expenses payables, (iv) other taxes payables, mainly in relation to the withholding of individual income taxes and payables of levies in relation to our subsurface use rights, (v) employee benefit payables, and (vi) accrual for loan arrangement fee in relation to our Bank Loan. The following table sets forth the breakdown of our other payables and accruals as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Construction payables	32,461	67,851	85,545	66,650
Asset retirement obligation	2,505	12,637	13,291	13,530
Listing expense payables	400	8,238	10,058	19,758

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other taxes payables	9,462	9,241	9,243	7,053
Employee benefit payables	2,143	2,228	11,012	7,959
Accrual for loan arrangement fee	9,520	–	–	–
Other accruals[1]	1,663	2,692	4,024	7,294
	58,154	**102,887**	**133,173**	**122,244**
Non-current:	20,777	70,937	46,638	51,922
Current:	37,377	31,950	86,464	70,322
	58,154	**102,887**	**133,172**	**122,244**

Note:

(1) Others mainly include accruals for audit remuneration, interest expenses and staff training fees.

Under most of our construction contracts, we reserve a fixed percentage of the current construction stage's fees as warranty. As we progress our development of the Boguty Project, the construction fees increased. As a result and in line with our construction in progress during such period, our construction payables, which primarily represent our construction fees payable and the warranty, increased from 2022 to 2024 and decreased as at June 30, 2025 as compared to the December 31, 2024.

As of July 31, 2025, HK$4.7 million, or 7.0%, of our construction payables as of June 30, 2025 had been subsequently settled.

Pursuant to the Bank Loan Agreement, we shall make an upfront arrangement fee of 1.1% of the total loan facility. As of December 31, 2022, HK$9.5 million of the upfront arrangement fee remained outstanding, which was fully settled in 2023.

LIQUIDITY AND CAPITAL RESOURCES

During the Track Record Period, we principally financed our working capital and other liquidity needs through bank borrowings, shareholder loans and internal funds. Our principal uses of cash have been development of our Boguty Project and to fund our working capital. We expect to fund our future working capital and other liquidity needs with a combination of our bank balances, net proceeds from the Global Offering, bank and other borrowings and cash generated from our operations. As of June 30, 2025, we had cash and cash equivalents of HK$32.7 million and unutilized bank facilities of HK$68.6 million. As of the Latest Practicable Date, we had unutilized bank facilities of HK$68.7 million.

Net Current (Liabilities)/Assets

The following table sets forth a summary of our consolidated current assets and current liabilities as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current assets				
Inventories	–	–	12,941	94,611
Trade receivables	–	–	–	47,087
Prepayments	4,628	9,973	36,844	36,538
Other receivables	1,400	1,454	668	6,839
Cash and cash equivalents	99,496	476,687	41,440	32,662
	105,524	**488,114**	**91,893**	**217,737**
Current liabilities				
Trade payables	–	–	–	76,199
Other payables and accruals	37,377	31,950	86,464	70,322
Contract liabilities	–	–	31,783	165,414
Lease liabilities	112	–	–	–
Borrowings	–	3,246	184,643	279,094
Amounts due to shareholders	185,269	32,268	57,951	69,652
	222,758	**67,464**	**360,841**	**660,681**
Net current (liabilities)/assets	**(117,234)**	**420,650**	**(268,948)**	**(442,944)**

We recorded net current liabilities of HK$442.9 million as of June 30, 2025 as compared to net current liabilities HK$268.9 million as of December 31, 2024, primarily attributable to (i) an increase in contract liabilities of HK$133.6 million, primarily because we received advance payments from customers in relation to our sales while the relevant products were yet to be delivered; (ii) an increase in borrowings of HK$94.5 million, partially offset by an increase in inventories of HK$81.7 million and an increase in trade payables of HK$76.2 million, as we commenced commercial production and sale in the six months ended June 30, 2025.

We recorded net current assets of HK$420.7 million as of December 31, 2023 as compared to net current liabilities HK$268.9 million as of December 31, 2024, primarily attributable to (i) a significant decrease in cash and cash equivalents of HK$435.2 million, as we spent cash to support our daily operations and to progress the development of our Boguty Project; (ii) an increase in our other net losses from HK$9.4 million in 2023 to HK$83.7 million in 2024, primarily attributable to the depreciation of Tenge against Euro in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to Tenge, its functional currency; and (iii) an increase in borrowings of HK$181.4 million, which was in line with our increased bank borrowings driven by the increased capital needs as we develop the Boguty Project.

We recorded net current assets of HK$420.7 million as of December 31, 2023 as compared to net current liabilities of HK$117.2 million as of December 31, 2022, primarily due to (i) an increase in cash and cash equivalents of HK$377.2 million as we further drew down the Bank Loan in 2023 and (ii) a decrease in amounts due to shareholders of HK$153.0 million as majority of our shareholder loan were capitalized into our share capital in February 2023.

As of December 31, 2022, December 31, 2024 and June 30, 2025, we had net current liabilities of HK$117.2 million and HK$268.9 million and HK$442.9 million, respectively. Our net current liabilities positions were primarily due to the significant development and construction costs we incurred in relation to the Boguty Project, and certain portion of our borrowings was maturing in short term. We had net current assets as of December 31, 2023 because we had drawn down significant amount of our Bank Loan, which had not been fully utilized for our construction costs as of such dates. We financed our expenses during the period primarily by bank borrowings, shareholder loans and internal funds. Going forward, we expect to improve our liquidity position through (i) the net proceeds from the Global Offering; (ii) cash generated from operations; and (iii) unutilized bank facilities. We obtained credit facilities of HK$265.0 million from reputable commercial banks in April 2024 to support the construction of our Boguty Project. We expect such credit facilities to improve our cash position. The credit facilities have provided additional funding to us and as of June 30, 2025, we had unutilized bank facilities of HK$68.6 million. We expect that our cash position will improve in light of the commencement of commercial production and sale in April 2025.

Cash Flows

The following table sets forth a summary of our consolidated statements of cash flows for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Operating cash flows before movement in working capital	(40,631)	(66,078)	(73,031)	(32,023)	(23,064)
Changes in working capital	(6,876)	3,360	9,877	4,235	38,618
Net cash (used in)/ generated from operating activities	**(47,507)**	**(62,718)**	**(63,154)**	**(27,788)**	**15,554**
Net cash (used in) investing activities	**(311,332)**	**(755,630)**	**(447,012)**	**(225,425)**	**(21,448)**
Net cash generated from/(used in) financing activities	**189,881**	**1,187,770**	**88,236**	**(33,541)**	**1,567**
Net (decrease)/increase in cash and cash equivalents	**(168,958)**	**369,422**	**(421,930)**	**(286,684)**	**(4,327)**
Cash and cash equivalents at beginning of the year/period	287,994	99,496	476,687	476,687	41,440
Effects of exchange rate changes on cash and cash equivalents	(19,540)	7,769	(13,317)	(16,778)	(4,451)
Cash and cash equivalents at end of the year/period	**99,496**	**476,687**	**41,440**	**173,225**	**32,662**

Net Cash (Used in)/Generated from Operating Activities

For the six months ended June 30, 2025, we had net cash generated from operating activities of HK$15.6 million, primarily representing our loss for the period of HK$7.0 million, as positively adjusted by (i) increase in contract liabilities of HK$130.2 million as we received advance payments from customers in relation to our sales while the relevant products were yet to be delivered and (ii) trade payables of HK$76.2 million in relation to the purchase of goods and services from our suppliers as we commenced phase I commercial production, and negatively adjusted by increase in inventories of HK$79.4 million and trade receivables of HK$47.1 million, as we commenced phase I commercial production and sale in the first six months ended June 30, 2025.

For the year ended December 31, 2024, we had net cash used in operating activities of HK$63.2 million, primarily representing our loss for the year of HK$176.5 million, as positively adjusted by (i) non-cash loss incurred relating to foreign exchange losses of HK$84.8 million mainly arising from the depreciation of Tenge against Euro in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to Tenge, its functional currency and (ii) other payables and accruals of HK$44.1 million in line with the progressing of our development of the Boguty Project, and negatively adjusted by (i) prepayments, other receivables and other assets of HK$21.3 million, which is in line with our development of the Boguty Project and (ii) increase in inventories of HK$12.9 million primarily because we commenced trial production of the Boguty Project in November 2024.

For the year ended December 31, 2023, we had net cash used in operating activities of HK$62.7 million, primarily representing our loss for the year of HK$80.1 million, as positively adjusted by (i) non-cash loss incurred relating to foreign exchange losses of HK$9.6 million mainly arising from the depreciation of Tenge against EUR in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to Tenge, its functional currency and (ii) interest expenses of HK$4.7 million primarily in relation with our bank borrowings and amounts due to shareholders, and negatively adjusted by interest income of HK$1.9 million from deposits in financial institutions.

For the year ended December 31, 2022, we had net cash used in operating activities of HK$47.5 million, primarily representing our loss for the year of HK$94.5 million, as positively adjusted by (i) non-cash loss incurred relating to foreign exchange losses of HK$32.5 million mainly arising from the depreciation of Tenge against EUR in such period, in connection with conversion of Subsidiary ZV's Euro-denominated financial liabilities to Tenge, its functional currency and depreciation of Renminbi against Hong Kong dollars in such period in connection with our cash on hand denominated in Renminbi and (ii) interest expenses of HK$24.7 million primarily in relation to our bank borrowings and amounts due to shareholders, and negatively adjusted by interest income of HK$5.3 million from deposits in financial institutions.

We had net cash used in operating activities from 2022 to 2024 as our Boguty Project was primarily in the exploration and development stage. We commenced commercial production in April 2025 and started to generate positive cash flow from operating activities in the six months ended June 30, 2025.

We plan to continuously optimize our cash flow and liquidity position by improving our cost control and operating efficiencies. See "Business—Mining Operations and Processing Facilities—Production Capacity and Plan" for details. In addition, we plan to adopt comprehensive measures to effectively control our cost and operating expenses. We aim to optimize liquidity to gain a better return for our Shareholders while maintaining adequate risk control. We plan to closely monitor and manage the settlement of our trade receivables to avoid credit losses. We will also closely monitor the settlement of our trade payables to achieve better cash flow position.

Net Cash (Used in) Investing Activities

For the six months ended June 30, 2025, we had net cash used in investing activities of HK$21.5 million, primarily attributable to additions to property, plant and equipment of HK$127.3 million, partially offset by capitalization of interest expenses of HK$105.2 million.

For the year ended December 31, 2024, we had net cash used in investing activities of HK$447.0 million, primarily attributable to additions to property, plant and equipment of HK$719.2 million, which primarily consists of our construction-in-progress.

For the year ended December 31, 2023, we had net cash used in investing activities of HK$755.6 million, primarily attributable to (i) additions to property, plant and equipment of HK$731.1 million, which primarily consists of our construction-in-progress, and (ii) an increase in prepayment to contractors and relevant tax prepayment of HK$125.6 million as we progressed development of the Boguty Project.

For the year ended December 31, 2022, we had net cash used in investing activities of HK$311.3 million, primarily attributable to additions to property, plant and equipment of HK$210.2 million, primarily consists of our construction-in-progress; and an increase in prepayment to contractor and relevant tax prepayment of HK$138.5 million as we progressed development of the Boguty Project.

Net Cash Generated from/(Used in) Financing Activities

For the six months ended June 30, 2025, we had net cash generated from financing activities of HK$1.6 million, primarily attributable to proceeds from borrowings of HK$53.5 million as we further drew down available bank facilities, partially offset by interest paid of HK$28.3 million and repayment of borrowings of HK$23.6 million, as we repaid certain borrowings.

For the year ended December 31, 2024, we had net cash generated from financing activities of HK$88.2 million, primarily attributable to proceeds from borrowings of HK$141.5 million as we further drew down available bank facilities, partially offset by interest paid of HK$62.9 million.

For the year ended December 31, 2023, we had net cash generated from financing activities of HK$1,187.8 million, primarily attributable to proceeds from borrowings of HK$1,194.5 million as we drew down the Bank Loan.

For the year ended December 31, 2022, we had net cash generated from financing activities of HK$189.9 million, primarily attributable to proceeds from borrowings of HK$207.6 million as we drew down the Bank Loan, partially offset by interest paid of HK$15.2 million, primarily in relation to the Bank Loan.

Sufficiency of Working Capital

We believe our liquidity requirements will be mainly satisfied by funding from a combination of our cash and cash equivalents, net proceeds from the Global Offering, bank and other borrowings and cash generated from our operations. Taking into account the financial resources available to our Group, including cash and cash equivalents, the estimated net proceeds from this Global Offering and cash generated from operations, our Directors are of the opinion that we will have sufficient working capital to cover at least 125% of our present requirements as required under Rule 18.03(4) of the Listing Rules, that is, for at least the next 12 months from the date of this prospectus.

INDEBTEDNESS

As of December 31, 2022, 2023, 2024 and June 30, 2025, except as disclosed below, we did not have any outstanding mortgages, charges, debentures, other issued debt capital, bank overdrafts, borrowings, liabilities under acceptance or other similar indebtedness, acceptance credits, hire purchase commitments, any guarantees or other material contingent liabilities. Since June 30, 2025, the latest practicable date for the purpose of the indebtedness statement, and up to the date of this prospectus, there has been no material change to our indebtedness.

The following table summarizes our indebtedness as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current:				
Borrowings	381,346	1,616,687	1,470,386	1,615,989
Current:				
Borrowings	–	3,246	184,643	279,094
Lease liabilities	112	–	–	–
Amounts due to shareholders	185,269	32,268	57,951	69,652
Total	**566,727**	**1,652,201**	**1,712,980**	**1,964,735**

Borrowings

Our borrowings represent our bank loans denominated in EUR and RMB. We entered into the Bank Loan Agreement with a commercial bank in September 2020 to obtain the Bank Loan of up to EUR188.0 million to fund the construction of our Boguty Project, with a draw down period of two years after the first draw-down. Prior to November 2022, the Bank Loan bore a fixed interest rate at 1% per annum with interests payable quarterly and principal repayable in eight years since first draw down. We then entered into a supplemental agreement with such bank in February 2023 and extended the draw-down period of unutilized facility to November 2023. Pursuant to the supplemental agreement, loan drawn down after November 2022 bears a floating rate with reference to the Euro short-term rate. As a result, our borrowings as of December 31, 2022 of HK$381.3 million bore interest at 1% per annum. HK$397.2 million, HK$507.7 million and HK$362.7 million of our borrowings as of December 31, 2023, December 31, 2024 and June 30, 2025 bore interest at 1% per annum. HK$1,222.8 million, HK$1,147.3 million and HK$1,302.8 million of our borrowings as of December 31, 2023, December 31, 2024 and June 30, 2025 bore floating interest rates ranging from 3.488% to 5.013% per annum. HK$1,302.8 million of our borrowings as of June 30, 2025 bore floating interest rates ranging from 3.017% to 4.023% per annum. The principal of our outstanding borrowings are repayable in semi-annual installments with the last installment due on June 14, 2028. As of June 30, 2025, we had drawn down all the facility of the Bank Loan. The major covenants under the Bank Loan Agreement are summarized as follows:

- We shall complete the initial drawdown under the facility agreement on or before November 7, 2020.

- We shall pay the lending bank an arrangement fee of 1.1% (*i.e.*, EUR2.1 million) of the facility, of which EUR650,000 shall be paid by us to the lending bank in a lump sum within six months of the date of the initial drawdown and the remaining amount of EUR1.4 million shall be paid to the lending bank in a lump sum or in installments by March 31, 2023.

- We shall provide true and accurate documents and information as requested by the lending bank, and cooperate with the lending bank in its investigation, review and inspection from time to time.

- We shall repay the principal, interest and fees of the loans in full and on time as agreed under the financing documents.

- We shall obtain the written consent of the lending bank if we intend to transfer all or part of the liabilities under the facility agreement to a third party.

- We shall apply for draw down according to the construction progress of the Boguty Project, use the loan and/or other credit facilities as agreed under the financing documents and/or committed purpose(s), comply with the lending bank's requirements on management of payment of loan funds.

- We shall ensure that settlement, payment and other receipt and payment activities shall be carried out mainly in the lending bank settlement accounts opened by us with the lending bank. During the term of the facility agreement, the proportion of our settlement transactions in such lending bank settlement accounts shall be no less than the proportion of bank financing from such lending bank in the aggregate of all bank facilities.

- Without the prior written consent of the lending bank, we shall not, and shall ensure that our controlled subsidiaries shall not, increase their own debt financing (except for shareholders affiliated loans) other than the loans lent by the lending bank and the branches of the lending bank, or provide any third party with guarantee, mortgage, pledge or other security or arrangement having security effect. However, in case of any shareholders affiliated loans, we shall give a prior written notice to the lending bank.

- We shall not provide any loan to any third party without the consent of the lending bank.

- We shall not delay in managing and claiming for our creditor's rights as they fall due or dispose of our existing major assets without compensation or in other improper manner. Without the written consent of the lending bank, we shall not, and shall ensure that Subsidiary ZV shall not, create any encumbrance in any form or conduct financial leasing on the assets of the Boguty Project for the benefit of any third party other than the lending bank.

- Any merger, division, reorganization, joint venture (cooperation) or external investment by us and our subsidiaries shall be subject to the prior written consent of the lending bank.

- We shall immediately notify the lending bank in writing upon the occurrence of any material event which might affect our solvency.

- We shall comply with the lending bank's compliance requirements relating to anti-money laundering and sanctions.

Pursuant to the Bank Loan Agreement, Jiangxi Copper Corporation Limited (江西銅業集團有限公司) ("Jiangxi Copper Corporation"), a related party of our Group, provided a guarantee in relation to the outstanding loan amount. In return, we shall pay Jiangxi Copper Corporation a guarantee fee of 0.57% per annum on the guaranteed amount. Ever Trillion, one of our Controlling Shareholders, provided a counter-guarantee to Jiangxi Copper Corporation with a charge on Ever Trillion's shares of our Company. In addition, CRCCII and CCECC HK, both of which are our Shareholders, also provided a counter-guarantee to Jiangxi Copper Corporation to the extent of their equity holding in the Company, in respect of the guarantee provided by Jiangxi Copper Corporation. The guarantee provided by Jiangxi Copper Corporation as well as the counter-guarantees provided by Ever Trillion, CRCCII and CCECC HK will be released before the Listing.

We are subject to certain customary restrictive covenants under the Bank Loan. For example, we are prohibited from incurring other significant indebtedness, guarantee, pledge, mortgage, providing loan to third-party, merger, spin-off, restructuring, change of control, or mortgage, transfer, disposal of material assets without the prior consent of majority of the banks. Our Directors confirm that we had not defaulted in the repayment of the Bank Loan during the Track Record Period and up to the Latest Practicable Date. Our Directors have confirmed that there was no breach of any covenants under the Bank Loan during the Track Record Period and up to the Latest Practicable Date.

To fund our capital needs as we progress the construction of the Boguty Project, we made other drawdowns under our available bank facilities during the Track Record Period. Accordingly, our current and non-current borrowings increased by 324.8% from HK$381.3 million as of December 31, 2022 to HK$1,619.9 million as of December 31, 2023. Our current and non-current borrowings increased by 12.7% from HK$1,665.0 million as of December 31, 2024 to HK$1,895.1 million as of June 30, 2025. We plan to make repayments for our outstanding borrowings in accordance with their respective repayment schedules. In particular, the Bank Loan Agreement provided that we shall make repayment for the Bank Loan every six months after the expiry of a 36-month grace period. For example, our first repayment date shall be the date falling 42 months from the date of our draw down of the Bank Loan and our second repayment date shall be the date falling 6 months from the first repayment date, and so on.

Our borrowings increased from HK$1,619.9 million as of December 31, 2023 to HK$1,655.0 million as of December 31, 2024, and further increased to HK$1,895.1 million as of June 30, 2025, primarily because we further drew down from the bank facilities.

In April 2024, we obtained additional credit facilities in an aggregate principal amount of up to HK$265.0 million from reputable commercial banks to support the construction of the Boguty Project. We are subject to certain customary restrictive covenants under certain credit facilities. For example, We are prohibited from merger, spin-off and incurring additional debt liabilities or outbound investments without prior consent of the bank. As advised by our PRC Legal Advisors based on their review of relevant documents and information provided and confirmed by us, we do not believe that these restrictive covenants would adversely affect our ability to implement our future plans because (i) we do not plan to take any action restricted by the banks in order to implement our future plans, and (ii) some of such restrictive covenants are not absolute prohibitions, instead they only require us to seek prior written consent of the lending bank, which can be facilitated through proper communications with such bank. Based on our past dealings with the lending banks, we believe that we have maintained good and timely communications with them and do not foresee any difficulty in obtaining their prior consent if such consent is needed.

Our Directors have confirmed that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of any bank loans and other borrowings or breach of covenants thereunder during the Track Record Period and up to the Latest Practicable Date.

Amounts Due to Shareholders

Our amounts due to shareholders consist of (i) amounts due under the loan agreement with our Shareholders and (ii) payable to Jiangxi Copper Corporation in relation to its guarantee against our Bank Loan. The following table provides information regarding our amounts due to shareholders as of the dates indicated:

	As of December 31,			**As of June 30,**
	2022	**2023**	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Shareholder loan:				
Jiangxi Copper HK	84,796	14,189	14,673	15,111
Ever Trillion	100,232	14,083	30,632	41,149
	185,028	28,272	45,305	56,260
Payable:				
Jiangxi Copper Corporation	241	3,996	12,646	13,392
Amounts due to shareholders	**185,269**	**32,268**	**57,951**	**69,652**

We entered into a loan agreement with Ever Trillion and Jiangxi Copper HK in September 2019 ("2019 Shareholder Loan Agreement") in relation to an unsecured loan of HK$100.1 million from Ever Trillion and an unsecured loan facility of up to HK$96.1 million from Jiangxi Copper HK to support our daily operations. Under the 2019 Shareholder Loan Agreement, such loans from shareholders were interest free and repayable on demand at the timing agreed by contracting parties.

We then entered into another loan agreement with Ever Trillion, Jiangxi Copper HK, CRCCII and CCECC HK in September 2022 ("2022 Shareholder Loan Agreement") to amend the terms of the unsecured loan from Ever Trillion and Jiangxi Copper HK under the 2019 Shareholder Loan Agreement and to obtain unsecured loan from CRCCII and CCECC HK to support our daily operations. The maximum loan facility provided by each shareholder shall be proportional to their respective shareholding amount in the Company. Pursuant to the 2022 Shareholder Loan Agreement, interests accrued since June 2021 from the above-mentioned shareholders loans shall bear an interest rate of 4% per annum, payable quarterly, and the principal is repayable on demand at the timing agreed by the contracting parties.

We entered into a loan agreement with Ever Trillion in August 2024 ("2024 Shareholder Loan Agreement") in relation to an unsecured loan of US$2.0 million from Ever Trillion to support our daily operations. Pursuant to the 2024 Shareholder Loan Agreement, interests accrued since the receipt of proceeds from such shareholder loan shall bear an interest rate of 8% per annum, payable quarterly, and the principal shall be repaid by March 31, 2025.

Our amounts due to shareholders in relation to the shareholder loans decreased significantly from HK$185.0 million as of December 31, 2022 to HK$28.3 million as of December 31, 2023 because majority of our loans from Jiangxi Copper HK and Ever Trillion were capitalized into our share capital in February 2023. Our amounts due to shareholders in relation to the shareholder loans increased from HK$28.3 million as of December 31, 2023 to HK$45.3 million as of December 31, 2024, and further to HK$56.3 million as of June 30, 2025.

The payable to Jiangxi Copper Corporation arose from the guarantee it provided in relation to our Bank Loan. The payable is unsecured, interest-free and repayable on demand. See above "—Borrowings" for details.

Our amounts due to shareholders are expected to be settled before the Listing.

CAPITAL EXPENDITURE

Our capital expenditure mainly consists of payments for construction in progress, mining development assets, exploration and evaluation assets. We funded our capital expenditure requirements during the Track Record Period mainly from bank borrowings, shareholder loans and internal funds. The following table sets forth our capital expenditures for the periods indicated:

	For the year ended December 31,			For the six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Construction in progress	289,750	696,385	442,110	210,772	20,072
Mining development assets	11,313	59,294	2,594	1,262	120
Exploration and evaluation assets	9,325	–	–	744	71
Others[1]	7,271	2,275	2,386	12,647	1,204
Total	**317,659**	**757,954**	**447,090**	**225,425**	**21,467**

Note:

(1) Others mainly include vehicles, computer equipment and office equipment.

FORECAST OPERATING COSTS

According to the Independent Technical Report, our total operating cash cost of the Boguty Project in 2025 is estimated at RMB463.2 million, with a unit cash cost of RMB156 per ton of tungsten ore and RMB77,400 per ton of tungsten concentrate. Our total operating cash cost in 2027 is estimated at RMB562.7 million, with an estimated unit cash operating cost of RMB113 per ton of tungsten ore and RMB49,000 per ton of tungsten concentrate in 2027 when our Boguty Project reaches its target production rate of 4.95 Mtpa and the ore sorting system for the phase II development is installed.

The table below sets forth a summary of the forecast operating costs between 2025 and 2039 for our Boguty Project, as stated in the Independent Technical Report:

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Mining																	
Ore	Mt	68.4	2.5	5.2	8.1	4.4	2.1	3.4	4.7	5.1	5.0	5.0	5.1	5.4	5.4	5.4	1.7
Waste	Mt	104.9	4.5	10.2	4.8	12.9	16.3	14.7	10.1	10.8	4.8	4.6	3.4	2.8	2.0	2.7	0.2
Total materials moved	Mt	173.3	7.0	15.3	12.9	17.4	18.4	18.0	14.9	16.0	9.8	9.6	8.6	8.1	7.3	8.1	1.9
Strip Ratio		1.53	1.81	1.96	0.60	2.91	7.86	4.36	2.13	2.12	0.94	0.93	0.66	0.52	0.36	0.51	0.13
Grade	WO_3%	0.206	0.164	0.196	0.190	0.178	0.174	0.203	0.180	0.238	0.213	0.203	0.205	0.231	0.240	0.226	0.195
High-grade Ore	Mt	53.2	1.7	3.8	5.5	3.3	1.5	2.6	3.4	4.2	4.0	4.0	4.0	4.4	4.9	4.8	1.2
Grade	WO_3%	0.0	0.191	0.228	0.228	0.201	0.201	0.229	0.207	0.267	0.239	0.227	0.230	0.257	0.252	0.239	0.226
Medium-Grade Ore	Mt	7.8	0.4	0.8	1.2	0.6	0.3	0.3	0.7	0.5	0.6	0.6	0.6	0.5	0.3	0.4	0.2
Grade	WO_3%	0.0	0.123	0.124	0.124	0.124	0.124	0.125	0.124	0.124	0.124	0.123	0.124	0.124	0.125	0.125	0.124
Low-grade Ore	Mt	7.5	0.4	0.7	1.4	0.6	0.4	0.4	0.7	0.5	0.4	0.5	0.5	0.5	0.2	0.2	0.2
Grade	WO_3%	0.0	0.099	0.099	0.099	0.098	0.100	0.098	0.101	0.100	0.100	0.099	0.099	0.099	0.097	0.103	0.099
Processing																	
Feed ore	Mt	68.4	1.65	3.80	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	3.58
Feed ore grade	WO_3%	0.0	0.191	0.227	0.228	0.187	0.140	0.169	0.176	0.243	0.215	0.204	0.209	0.242	0.251	0.235	0.147
Recovery	%	various[(1)]	75.00	83.00/ 78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85
Concentrate at 65% WO_3	t	171,003	3,638	10,900	13,665	11,228	8,382	10,172	10,596	14,578	12,936	12,276	12,549	14,527	15,065	14,119	6,371
Operating Cash Cost																	
Mining	RMB million	1,800.7	71.9	158.2	132.7	180.3	195.9	189.1	153.5	164.6	101.0	99.4	88.2	83.8	75.7	83.2	23.2
Processing																	
Labor	*RMB million*	*696.9*	*24.4*	*52.8*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*35.2*
Consumables	*RMB million*	*2,389.1*	*82.1*	*177.5*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*121.0*
Fuel, Electricity and Water	*RMB million*	*918.6*	*30.2*	*65.4*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*46.8*
Maintenance and Other Services	*RMB million*	*416.9*	*7.8*	*16.9*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*22.3*
Subtotal	RMB million	4,421.5	144.6	312.5	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	225.2
General and Administrative	RMB million	1,413.6	94.7	94.7	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	69.6
Sales	RMB million	376.2	8.0	24.0	30.1	24.7	18.4	22.4	23.3	32.1	28.5	27.0	27.6	32.0	33.1	31.1	14.0
Resource tax	RMB million	490.9	11.9	27.3	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	25.7
Total	RMB million	8,502.9	331.0	616.6	606.1	648.3	657.6	654.8	620.2	640.0	572.8	569.8	559.2	559.1	552.2	557.6	357.7

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Operating Cash Unit Cost																	
Mining	RMB/t ore	26.3	29.0	30.5	16.5	40.6	94.2	56.3	32.4	32.1	20.0	19.9	17.1	15.6	14.0	15.5	14.0
Processing																	
Labor	*RMB/t processed*	*10.2*	*14.8*	*13.9*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*
Consumables	*RMB/t processed*	*34.9*	*49.6*	*46.7*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*
Fuel, Electricity and Water	*RMB/t processed*	*13.4*	*18.3*	*17.2*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*
Maintenance and Other Services	*RMB/t processed*	*6.1*	*4.7*	*4.4*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*
Subtotal	RMB/t processed	64.6	87.4	82.2	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9
General and Administrative	RMB/t processed	20.7	57.2	24.9	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4
Sales	RMB/t processed	5.5	4.8	6.3	6.1	5.0	3.7	4.5	4.7	6.5	5.7	5.5	5.6	6.5	6.7	6.3	3.9
Resource tax	RMB/t processed	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Total	**RMB/t processed**	**124**	**200**	**162**	**122**	**131**	**133**	**132**	**125**	**129**	**116**	**115**	**113**	**113**	**112**	**113**	**100**
	RMB/t concentrate	**49,800**	**91,000**	**56,600**	**44,400**	**57,800**	**78,500**	**64,400**	**58,600**	**43,900**	**44,300**	**46,500**	**44,600**	**38,500**	**36,700**	**39,500**	**56,200**
Operation Unit Cost																	
Total	**RMB/t processed**	**159**	**235**	**194**	**151**	**160**	**161**	**161**	**154**	**158**	**144**	**151**	**149**	**149**	**148**	**149**	**179**
	RMB/t concentrate	**63,500**	**106,900**	**67,600**	**54,800**	**70,400**	**95,400**	**78,300**	**71,900**	**53,600**	**55,200**	**61,100**	**58,900**	**50,900**	**48,600**	**52,200**	**100,700**

Source: Independent Technical Report

Notes:

1. Target recovery rates: H2 2025:75%, 2026:83% and 78.85% (with the ore sorting system).
2. The cost for equipment replacement and refurbishment has been allocated to the processing cost, amounting to RMB3.29 million per year.
3. General and Administrative costs include a payment of approximately RMB1.0 million per year to the Kazakhstani Government for the mine rehabilitation fee.
4. Some totals may not correspond to the sum of the separate figures due to rounding.
5. High-grade ore is defined at a cut-off grade of >0.14% WO_3; Medium-grade ore is defined at a cut-off grade between 0.12%-0.14% WO_3 and low-grade ore is defined at a cut-off grade of 0.06% WO_3.

The above table is an estimate only and is subject to change. Our future actual production costs may differ materially from the above estimated production costs as a result of numerous factors, including the factors described in the section headed "Risk Factors" in this prospectus. In addition to the "Risk Factors" section of this prospectus, you should also refer to the section headed "Forward-Looking Statements" in this prospectus for the risks of placing undue reliance on any forward-looking information. According to the Independent Technical Report, the key assumptions for the forecast operating cost between 2025 and 2039 set forth in the table above are primarily based on the current mining contract, contracts with or quotations from consumable providers, contracts with employees, the current government contract for water price, and research on current and projected fuel and electricity prices.

Based on the current construction progress, our construction contract with CCECC and the actual capital expenditure incurred, the amount of overall capital expenditure in the second half of 2025 is expected to be approximately RMB315.5 million (equivalent of approximately HK$346.4 million). Such estimation has been reviewed by the Independent Technical Consultant, which considers that such estimation is reasonable. Such capital expenditure is expected to be funded by (i) our cash and cash equivalents of HK$32.7 million as of June 30, 2025, (ii) estimated net proceeds from the Global Offering of HK$598.3 million allocated to fund the future capital requirement, (iii) our unutilized bank facilities of HK$68.7 million as of the Latest Practicable Date, and (iv) cash generated from our operating activities. See "Future Plans and Use of Proceeds". In the event that the Listing is delayed and we may not be able to receive the net proceeds from the Global Offering timely to fund our capital expenditure, we plan to apply for draw down from existing available credit facilities and seek alternative source of funding such as additional banking facilities.

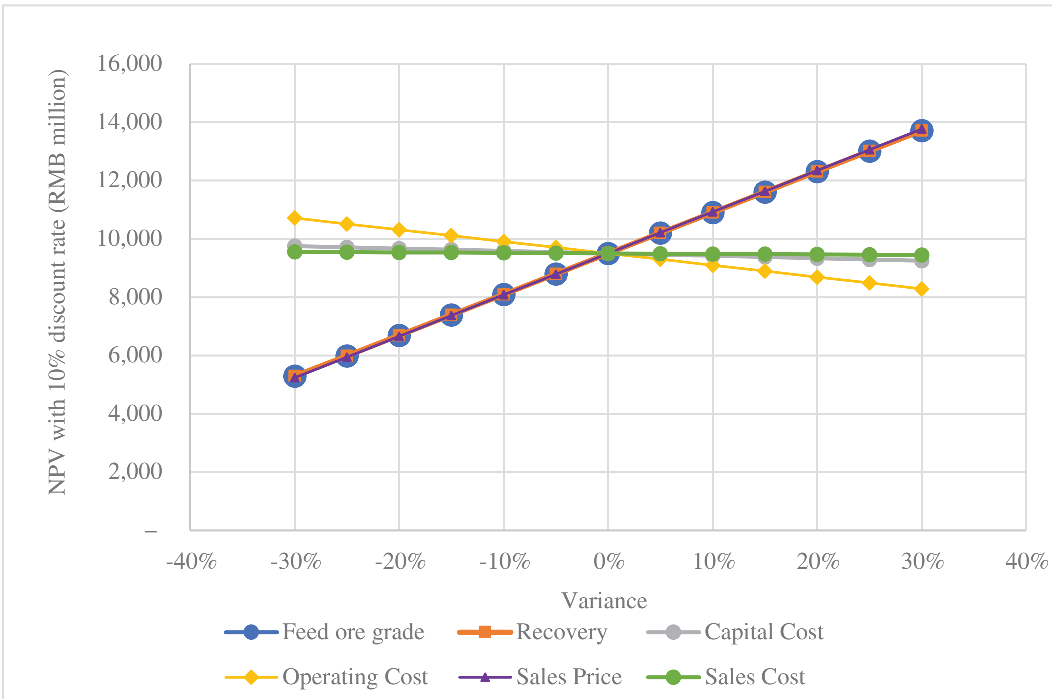
Following commencing commercial production of our Boguty Project phase I in April 2025, taking into account of short supply in market, we plan to prioritize selling tungsten concentrate at prevailing market price to potential customers which have previously indicated their interest to buy our products and who agree to settle the payment in cash before delivery, with the aim to generating cash inflow within a short period after the commercial production in April 2025. Assuming an average tungsten concentrate selling price of RMB172,000 per ton (VAT inclusive) and the forecast operating cash unit cost of RMB91,000 per ton in the second half of 2025, we expect that our Boguty Project will generate sufficient net operating cash inflow and become self-sufficient in working capital. The Independent Technical Consultant has reviewed and considered the analysis reasonable.

After reaching the level of self-sufficiency, we plan to fund future capital requirements by net proceeds from the Global Offering, as well as our unutilized credit facilities. See "—Indebtedness—Borrowings" for details.

According to the Independent Technical Report, it is estimated that our Boguty Project has a break-even average tungsten concentrate selling price of RMB64,000 per ton (at which our Boguty Project's net present value equals zero) while the estimated payback period (which is the amount of time required to recoup the initial development capital) is approximately 3.1 years.

SENSITIVITY ANALYSIS

The following post-tax sensitivity analysis at a discount rate of 10% as set forth in the Independent Technical Report illustrates the impact of certain key parameters (including the feed ore grade, processing recovery, capital cost, operating cost, sales price and sales cost) on the net present values (NPVs) of the Boguty Project:



Source: Independent Technical Report

COMMITMENTS AND CONTINGENT LIABILITIES

We entered into construction contracts in relation to our development of the Boguty Project. As of December 31, 2022, 2023 and 2024 and June 30, 2025, contracts in relation to our capital expenditure that we had entered into but not included in the consolidated financial statements were in the amount of HK$1,159.2 million, HK$548.6 million, HK$336.7 million and HK$145.5 million, respectively. In addition, we leased offices under non-cancellable operating lease arrangements with terms within one year. As of December 31, 2022, 2023 and 2024 and June 30, 2025, our future aggregate minimum lease payments under such operating leases not recognized in lease liabilities were HK$0.5 million, HK$0.5 million, HK$0.4 million and HK$0.3 million, respectively. See note 25 to the Accountant's Report as set out in Appendix I to this prospectus.

Saved as disclosed above, as of June 30, 2025, we did not have any material commitments or contingent liabilities in respect of payment obligations of any third parties. Our Directors confirm that there had been no material change in our commitments and contingent liabilities since June 30, 2025 and up to the Latest Practicable Date.

OFF-BALANCE SHEET ARRANGEMENTS

We have not entered into any off-balance sheet arrangements or commitments to guarantee the payment obligations of any third parties and related parties. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk or credit support to us or engage in leasing or hedging or research and development services with us.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to a variety of market risks and other financial risks, including credit risk, liquidity risk, foreign exchange risk and interest rate risk, as set out below. Our management continually monitors our risk management process to ensure that an appropriate balance between risk and control is achieved. We review risk management policies and systems regularly to reflect changes in market conditions and our activities. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. For further details, see note 3 in the Accountant's Report set out in Appendix I to this prospectus.

Credit Risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to us. We are exposed to credit risk in relation to our trade receivables, other receivables and cash and cash equivalents. We have policies in place aiming to ensure that sales on credit terms are made to customers with an appropriate credit history and we perform periodic credit evaluations of our customers. The sales price of our tungsten ore concentrate is typically collectible by two instalments: 70% of the sales price are generally collectible within a few days after delivery and the remaining balance is collectible within 15 days after we issue the final invoice. Normally we do not require collaterals from trade debtors. For cash and cash equivalents, we deposit our cash in reputable banks with sound creditability. There was no recent history of default of cash and cash equivalents from such financial institutions. Our management does not expect that there will be any losses from non-performance by these financial institutions and the credit risk related to cash and cash equivalents is remote and no provision for allowance has been made. For other receivables, our management make periodic collective assessments as well as individual assessment of the recoverability of other receivables based on historical settlement records, past experience as well as forward-looking factors. Accordingly, our management considers that the exposure to loss arising from the non-performance by the counterparties were minimal and has made no provision for allowance.

Liquidity Risk

Liquidity risk relates to the risk that we will not be able to meet our obligations associated with the financial liabilities that are settled by delivering cash or other financial asset. We monitor and maintain sufficient cash and cash equivalents and availability of funding through sufficient financial support by our holding company to finance our operations and mitigate the effects of fluctuations in cash flows.

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized monetary assets or liabilities of a group entity are denominated in a currency other than its functional currency. Our foreign currency transactions are mainly denominated in Tenge, Euro and Renminbi. Specifically, our Bank Loan is substantially denominated in Euro, a significant portion of our mining costs and a portion of our employment contracts are denominated in Tenge, and our construction contracts, sales proceeds of tungsten concentrate, a large portion of our employment contracts and raw material procurements are denominated in Renminbi. Therefore, we are exposed to foreign exchange risk from various currencies, primarily with respect to Tenge, Euro and Renminbi. In 2022, 2023 and 2024, and six months ended June 30, 2025, we incurred significant foreign exchange losses primarily due to the currency re-translation of our Euro-denominated Bank Loan. See note 3(c)(i) in the Accountant's Report set out in Appendix I of this prospectus for detailed sensitivity analysis of exchange rates on our results of operations during the Track Record Period.

We manages our foreign exchange risk by performing regular reviews of our net foreign exchange exposures and may enter into certain forward foreign exchange contracts, when necessary, to manage our exposure against the above-mentioned currencies and to mitigate the impact on exchange rate fluctuations. During the Track Record Period, we did not enter into any forward foreign exchange contracts.

Interest Rate Risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to cash flow interest rate risk in relation to our borrowings with floating interest rates and we are exposed to fair value interest rate risk in relation to our borrowings with fixed interests. We closely monitors the trend of interest rate and its impact on our interest rate risk exposure. We have not had any interest rate swap arrangements but will consider hedging interest rate risk when necessary.

SELECTED KEY FINANCIAL RATIOS

The following table sets forth our key financial ratios for the periods indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
Current ratio[(1)]	0.5	7.2	0.3	0.3
Gearing ratio[(2)]	93.8%	88.9%	100.8%	101.6%
Debt to equity ratio[(3)]	1,505.0%	803.1%	N/A[(4)]	N/A[(4)]

Notes:

(1) Current ratio is calculated based on the total current assets divided by the total current liabilities as of the end of the respective year or period.

(2) Gearing ratio is calculated based on the net debt (lease liabilities, borrowings and amounts due to shareholders, net of cash and cash equivalents) divided by the total capital (total equity plus net debt) as of the end of the respective year or period and multiplied by 100%.

(3) Debt to equity ratio is calculated based on the net debt (lease liabilities, borrowings and amounts due to shareholders, net of cash and cash equivalents) divided by the total equity as of the end of the respective year or period and multiplied by 100%.

(4) Our debt to equity ratios as of December 31, 2024 and June 30, 2025 are not meaningful as we recorded a negative total equity as of December 31, 2024 and June 30, 2025.

Current Ratio

Our current ratio was 0.5 times, 7.2 times, 0.3 times and 0.3 times as of December 31, 2022, 2023 and 2024 and June 30, 2025, respectively. Our current ratio was lower than one time as of December 31, 2022 and 2024 since we recorded net current liabilities as of such dates.

Our current ratio increased from 0.5 times as of December 31, 2022 to 7.2 times as of December 31, 2023 because our current assets increased during such period, which was mainly attributable to a significant increase in cash and cash equivalents of HK$377.2 million after we further drew down our Bank Loan, while our current liabilities decreased during such period, which was primarily attributable to a significant decrease in amounts due to shareholders of HK$153.0 million because majority of our loans from Jiangxi Copper HK and Ever Trillion were capitalized into our share capital in February 2023.

Our current ratio decreased from 7.2 times as of December 31, 2023 to 0.3 times as of December 31, 2024 because our current assets decreased significantly during such period, which was mainly attributable to a significant decrease of HK$435.2 million in our cash and cash equivalents after we made payment for construction costs and equipment costs incurred during such period.

Our current ratio remained stable at 0.3 times as of December 31, 2024 and June 30, 2025.

Gearing Ratio

Our gearing ratio decreased from 93.8% as of December 31, 2022 to 88.9% as of December 31, 2023, primarily attributable to the increase of HK$115.3 million in our total equity after capitalization of majority of our loans from Ever Trillion and Jiangxi Copper HK into our share capital and Pre-IPO financing from CRCCII and CCECC HK in February 2023.

Our gearing ratio increased from 88.9% as of December 31, 2023 to 100.8% as of December 31, 2024, primarily attributable to a significant decrease of HK$435.2 million in our cash and cash equivalents after we made payment for construction costs and equipment costs incurred during such period.

Our gearing ratio remained stable at 100.8% as of December 31, 2024 and 101.6% as of June 30, 2025.

Debt to Equity Ratio

Our debt to equity ratio decreased from 1,505.0% as of December 31, 2022 to 803.1% as of December 31, 2023, primarily attributable to the increase of HK$115.3 million in our total equity after capitalization of majority of our loans from Ever Trillion and Jiangxi Copper HK into our share capital and Pre-IPO financing from CRCCII and CCECC HK in February 2023.

Our debt to equity ratios as of December 31, 2024 and June 30, 2025 are not meaningful as we recorded a negative total equity as of December 31, 2024 and June 30, 2025.

RELATED PARTY TRANSACTIONS

The following table sets forth the detailed balances of our related party transactions as of the dates indicated:

	As of December 31,			As of June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Nature of transactions				
Trade:				
Payable under construction contracts	30,736	66,255	48,951	65,873
Prepayment under construction and procurement contracts	245,541	288,317	110,639	118,494
Non-trade:				
Amounts due to Shareholders:				
Loan from Jiangxi Copper HK	84,796	14,189	14,673	15,111
Loan from Ever Trillion	100,232	14,083	30,632	41,149
Guarantee fees payable	241	3,996	12,646	13,392

We expect to settle all of our non-trade related party balances before the Listing.

Payable and Prepayment Under Construction and Procurement Contracts

We entered into a general construction contract and an equipment procurement agreement with CCECC, a related party of our Group, in July 2021 and various construction project contracts with CCECC during the Track Record Period, with aggregate contract amount of HK$60.9 million, HK$171.5 million, HK$124.0 million and nil in 2022, 2023 and 2024 and the six months ended June 30, 2025, respectively. We made prepayments under the construction and procurement contracts. Our prepayments to CCECC increased pursuant to the payment schedule of such agreements as we progress the construction and development of the Boguty Project. See also "—Discussion of Selected Items from the Consolidated Statements of Financial Position—Prepayments and Other Assets". Our payable balance under such construction contracts, which primarily represent construction fees payable and the warranty under our construction contracts, significantly increased during the Track Record Period, which was in line with our increased construction in progress during such period. See also "—Discussion of Selected Items from the Consolidated Statements of Financial Position—Other Payables and Accruals".

Amounts Due to Shareholders

During the Track Record Period, we had outstanding loans from Jiangxi Copper HK and Ever Trillion pursuant to the 2019 Shareholder Loan Agreement and 2022 Shareholder Loan Agreement. See "—Indebtedness—Amounts Due to Shareholders" for details.

Our Directors are of the view that the transactions with related parties were conducted on an arm's-length basis. Please refer to note 31(b) of the Accountant's Report set out in Appendix I to this prospectus for details.

Office Rental Paid to Huayue

In addition to the balances of our related party transactions listed above, we rent an office from Zhuhai Huayue Investment Company Limited (珠海市華粵投資有限公司) ("Huayue") during the Track Record Period. In 2022, 2023 and 2024 and the six months ended June 30, 2025, we incurred rental expenses in relation to such office rental of HK$0.4 million, HK$0.4 million, HK$0.4 million and HK$0.2 million, respectively.

DIVIDENDS AND DIVIDEND POLICY

No dividend was paid or declared by our Company during the Track Record Period and up to the Latest Practicable Date. Any declaration of dividends is subject to our results of operations, working capital and cash position, future business and earnings, capital requirements, contractual restrictions, if any, as well as any other factors which our Directors may consider relevant from time to time. In addition, any declaration and payment as well as the amount of the dividends will be subject to constitutional documents and the relevant laws. Currently, we do not have a dividend policy or a pre-determined dividend rate.

As advised by our Hong Kong Legal Advisors, under Hong Kong Law, a position of accumulated losses and net liabilities does not necessarily restrict our Company from declaring and paying dividends to our Shareholders out of either our profit or our share premium account, provided this would not result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we did not have any distributable reserves.

LISTING EXPENSES

The total amount of listing expenses that will be borne by us in connection with the Global Offering is estimated to be HK$111.4 million (representing 10.2% of gross proceeds from the Global Offering, based on the Offer Price of HK$10.92 per Offer Share). The listing expenses include underwriting commissions (based on the Offer Price of HK$10.92 per Offer Share) of approximately HK$41.8 million, fees and expenses of legal advisors and accountants of approximately HK$38.8 million and other fees and expenses of approximately HK$30.8 million, primarily including fees and expenses of financial printer, Independent Technical Consultant, background search agent and industry consultant. HK$60.6 million of the listing expenses is expected to be accounted for as a deduction from equity in accordance with the relevant accounting standard. The remaining fees and expenses of HK$50.8 million were or are expected to be charged to our consolidated statements of profit or loss, of which approximately HK$0.6 million was charged to our administrative expenses for the year ended December 31, 2022, approximately HK$19.1 million was charged to our administrative expenses for the year ended December 31, 2023, approximately HK$11.5 million was charged to our administrative expenses for the year ended December 31, 2024, approximately HK$13.5 million was charged to our administrative expenses for the six months ended June 30, 2025 and approximately HK$6.1 million is expected to be charged to our administrative expenses subsequent to the end of the Track Record Period. The professional fees and/or other expenses related to the preparation of the Listing subsequent to the end of the Track Record Period are currently estimates for reference only and the actual amount to be recognized is subject to adjustment based on audit and the changes in variables and assumptions.

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

For details of our unaudited pro forma adjusted consolidated net tangible assets, please refer to Appendix II to this prospectus.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, since June 30, 2025 (being the end of the period reported in the Accountant's Report set out in Appendix I) and up to the date of this prospectus, there had been no material adverse change in our financial or trading positions and there is no event which would materially affect the information shown in our consolidated financial information included in the Accountant's Report in Appendix I to this prospectus.

DISCLOSURE PURSUANT TO RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors have confirmed that as of the Latest Practicable Date, they were not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FUTURE PLANS

For detailed discussion of our future plans, see "Business—Business Strategies."

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$1,087.7 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no exercise of the Over-allotment Option and based on the Offer Price of HK$10.92 per Offer Share. The use of proceeds complies with AIX Belt and Road Market Rules BR 1.1 (R) (a) (e). We intend to use the net proceeds from the Global Offering for the following purposes:

(i) approximately 55.0%, or HK$598.3 million, will be used to fund the capital costs for the development of our Boguty Project. To bring the Boguty Project into trial production in the fourth quarter of 2024, we have completed pre-stripping and main construction work as of December 31, 2023 and installation of processing plant equipment and construction of the phase one embankment of tailing storage facility (TSF) by the second half of 2024. We have brought the Boguty Project into the phase I commercial production in April 2025. We expect to complete the integration of ore sorting system into the existing mining flowsheet in 2026 and bring the Boguty Project into the phase II commercial production in the first quarter of 2027. See "Business—Development Plan and Planned Production Schedule" for details of our development plan and related capital costs.

(a) approximately 17.5%, or HK$190.4 million, will be used to fund the capital costs in relation to the development of tailings ponds of our Boguty Project;

(b) approximately 27.5%, or HK$299.1 million, will be used to fund capital costs in relation to the development of beneficiation plants of the Boguty Project;

(c) approximately 10.0%, or HK$108.8 million, will be used to fund the development of our ore sorting system for phase II of our commercial production, including construction of an ore sorting facility and acquisition of X-ray transmission sorting equipment and other ancillary equipment such as conveyor belts. See "Business—Competitive Strengths—We are socially responsible and committed to sustainable development with continuous ESG efforts" for details of our ore-sorting facility construction plan;

In addition to the net proceeds from the Global Offering, we plan to use our unutilized credit facilities and working capital, specifically expected future cash flow from operations, to fund the development of our Boguty Project. The table below sets forth the expected timetable and source of funding of our development plan.

	2025	2026	2027	Total Cost	Net Proceeds Allocated	Credit Facilities & Working Capital
				(HK$ in million)		
Trial Production and Phase I Commercial Production						
Mining Infrastructure	1.5	3.6[1]	–	5.1	–	–
Construction of Processing Plant	176.0	152.3	0.0	328.3	299.1	29.2
Construction of TSF	60.9	121.1	146.5	328.5	190.4	138.1
Miscellaneous	42.1	–	–	42.1	–	42.1
Phase II Commercial Production						
Construction of ore sorting facility	89.0	63.0	–	152.0	108.8	43.3
Total	**369.5**	**340.0**	**146.5**	**856.0**	**598.3**	**252.6**

Note:

1. We are required to settle the final payment and warranty deposit with CCECC in 2026 in accordance with the EPC contract.

(ii) approximately 10.0%, or HK$108.8 million, will be used to develop our ammonium paratungstate (APT) production capabilities, of which:

(a) approximately 6.0%, or HK$65.2 million, will be used for the preliminary design of our APT production facilities;

(b) approximately 2.0%, or HK$21.8 million, will be used to conduct market research in relation to potential customers and demand of APT;

(c) approximately 1.0%, or HK$10.9 million, will be used to conduct feasibility study of APT production; and

(d) approximately 1.0%, or HK$10.9 million, will be used for miscellaneous expenses, primarily including travel and transportation expenses.

After our production of tungsten ore concentrate stabilizes, we plan to carry out further processing steps to produce APT and tungsten carbide powder (WC). See “Business—Business Strategies—Carry out deep processing of tungsten to produce APT and WC.” We plan to engage third parties to conduct such research and design of our APT production facilities. For the feasibility study, market research and preliminary design, we plan to select design institution with Class A Engineering Design Integrated Qualification in China and applicable experience in designing APT smelters through public tender.

We plan to (i) initiate the feasibility study of APT and WC production in the second half of 2025; and (ii) complete various prerequisite work streams by the end of 2027, such as project design, design conversion in accordance with the established design standards in Kazakhstan, safety production evaluation, environmental protection evaluation, project approval procedure, land acquisition and project construction bidding. After we complete these tasks, we plan to begin the constructions for APT and WC production in 2028 and initiate production in 2029.

(iii) approximately 25.0%, or HK$271.9 million will be used to repay the aggregate principal amounts and interests accrued on a portion of our Euro denominated Bank Loan, which have been predominately used by us to fund the construction development of our Boguty Project. Our outstanding Bank Loan as of June 30, 2025 bears interest rate ranging from 1% to 5.013% per annum and is payable in semi-annual installments with the last installment due on June 14, 2028. We plan to use the proceeds to pay the installments due by 2025 pursuant to the repayment schedule and use the remaining proceeds to repay part of the loan by the end of 2026 in advance to reduce our interest expenses as the Bank Loan does not have early repayment fees. See "Financial Information—Indebtedness—Borrowings" for details. We plan to use the net proceeds from the Global Offering and working capital from the expected operating cash flow once we commence commercial production to finance the repayment of the Bank Loan. The table below sets forth the expected timetable and source of funding to repay the Bank Loan; and

	Amounts Due	Net Proceeds Allocated	Working Capital
		(HK$ in million)	
2025	53.8	–	53.8
2026	228.6	228.6	–
2027	723.4	43.3	680.1
2028	713.2	–	713.2
Total	**1,719.2**	**271.9**	**1,447.2**

(iv) approximately 10.0%, or HK$108.8 million, will be allocated for working capital and other general corporate purposes.

If the Over-allotment Option is exercised in full, and net proceeds that we will receive will be approximately HK$1,161.4 million at the Offer Price of HK$10.92 per Share. In the event that the Over-allotment Option is exercised in full, we intend to apply the additional net proceeds to the above purpose in the proportions stated above.

To the extent that the net proceeds are not immediately applied to the above purposes and to the extent permitted by applicable law and regulations, we will only deposit the net proceeds into short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulation in other jurisdictions). In the event of any material change in our use of net proceeds of the Global Offering from the purposes described above or in our allocation of the net proceeds among the purposes described above, a formal announcement will be made.

HONG KONG UNDERWRITERS

China International Capital Corporation Hong Kong Securities Limited

China Galaxy International Securities (Hong Kong) Co., Limited

CMB International Capital Limited

Celestial Securities Limited

ABCI Securities Company Limited

Tiger Brokers (HK) Global Limited

AVICT Global Asset Management Limited

Lighthouse Capital (HK) Financial Limited

AIX BOOKRUNNERS

In connection with the AIX Offering, we have entered into an agreement with each of the AIX bookrunners, SkyBridge Invest Joint Stock Company and China International Capital Corporation Hong Kong Securities Limited. SkyBridge Invest Joint Stock Company is established and operating under the Laws of the Republic of Kazakhstan, with legal address at: 14th floor, 34 Abish Kekilbayuly str. 34, Bostandyk district, Almaty, 050060, Republic of Kazakhstan, and holds the licence no. #4.2.192/113 issued by National Bank of the Republic of Kazakhstan dated July 20, 2016, which authorizes SkyBridge Invest Joint Stock Company to carry out activities on the securities market in Kazakhstan. SkyBridge Invest Joint Stock Company is also recognized by the AIFC, which authorizes SkyBridge Invest Joint Stock Company to carry out activities in the territory of AIFC. China International Capital Corporation Hong Kong Securities Limited has been granted the status of a recognized non-AIFC member ("**RNAM**") by AFSA and is authorized to use the facilities of AIX and the AIX CSD and to conduct trading activities (buy, sell, subscribe for or underwrite financial instruments) in or from AIFC, provided that China International Capital Corporation Hong Kong Securities Limited does not exceed the scope of activities it is authorized to carry out by the home regulator in the home jurisdiction.

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement.

The Global Offering comprises the Hong Kong Public Offering of initially 10,981,200 Hong Kong Offer Shares and the International Offering of initially 98,827,600 International Offer Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this prospectus as well as to the Over-allotment Option in the case of the International Offering.

As part of the International Offering, our Company will offer 1,317,600 Shares through the AIX Offering, which represents approximately 1.2% of the total number of new Shares offered in the Global Offering (subject to reallocation and assuming the Over-allotment Option is not exercised). The AIX Offering will be carried out in accordance with this prospectus under the AIX and AIFC rules and regulations.

UNDERWRITING ARRANGEMENTS

Hong Kong Public Offering

Hong Kong Underwriting Agreement

Pursuant to the Hong Kong Underwriting Agreement, we are offering 10,981,200 Hong Kong Offer Shares (subject to reallocation) for subscription by the public in Hong Kong on the terms and subject to the conditions in this prospectus at the Offer Price.

Subject to (a) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering as mentioned in this prospectus (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) and such approval not having been withdrawn; and (b) the conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed, severally but not jointly, to subscribe, or procure subscribers to subscribe, for the Hong Kong Offer Shares which are being offered but are not taken up under the Hong Kong Public Offering on the terms and subject to the conditions set out in this prospectus and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on and subject to, among other things, the International Underwriting Agreement having been signed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for Termination

The obligations of the Hong Kong Underwriters to subscribe or procure subscribers for the Hong Kong Offer Shares are subject to termination by notice (orally or in writing) from the Sole Representative (for itself and on behalf of the other Hong Kong Underwriters), at any time prior to 8:00 a.m. on the Listing Date if:

(1) there shall develop, occur, exist or come into effect:

(a) any new law or regulation or any change or development involving a prospective change or any event or series of events or circumstances likely to result in a change or a development involving a prospective change in existing laws or regulations, or the interpretation or application thereof by any court or any competent Governmental Authority (as defined in the Hong Kong Underwriting Agreement) in or affecting Hong Kong, Kazakhstan, Luxembourg, the PRC, the United States, the United Kingdom, the European Union (or any member thereof) or other jurisdictions relevant to the Group or the Global Offering (each a "**Relevant Jurisdiction**" and collectively, the "**Relevant Jurisdictions**"); or

(b) any change or development involving a prospective change, or any event or series of events or circumstances likely to result in a change or prospective change, in any local, national, regional or international financial, political, military, industrial, economic, fiscal, legal, regulatory, currency, credit or market conditions or sentiments, Taxation (as defined in the Hong Kong Underwriting Agreement), equity securities or currency exchange rate or controls or any monetary or trading settlement system, or foreign investment regulations (including, without limitation, a devaluation of the Hong Kong dollar, United States dollar or Renminbi against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or the Renminbi is linked to any foreign currency or currencies) or other financial markets (including, without limitation, conditions and sentiments in stock and bond markets, money and foreign exchange markets, the inter-bank markets and credit markets) in or affecting any Relevant Jurisdictions, or affecting an investment in the Offer Shares; or

(c) any event or series of events, or circumstances in the nature of force majeure (including, without limitation, any acts of government, declaration of a regional, national or international emergency or war, calamity, crisis, economic sanctions, strikes, labor disputes, other industrial actions, lock-outs, fire, explosion, flooding, tsunami, earthquake, volcanic eruption, civil commotion, riots, rebellion, public disorder, paralysis in government operations, acts of war, epidemic, pandemic, outbreak or escalation, mutation or aggravation of diseases, (including without limitation COVID-19, SARS, MERS, H5N1, H1N1, swine or avian influenza or such related/mutated forms), accident or interruption or delay in transportation) in or affecting any of the Relevant Jurisdictions, or without limiting the foregoing, any local, national, regional or international outbreak or escalation of hostilities (whether or not war is or has been declared), act of God or act of terrorism (whether or not responsibility has been claimed), or other state of emergency or calamity or crisis in or affecting any of the Relevant Jurisdictions; or

(d) the imposition or declaration of any moratorium, suspension or limitation (including without limitation, any imposition of or requirement for any minimum or maximum price limit or price range) on (i) the trading in shares or securities generally on the Stock Exchange, the AIX, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market or the London Stock Exchange; or (ii) the trading in any securities of our Company listed or quoted on a stock exchange or an over-the-counter market; or

(e) the imposition or declaration of any general moratorium on banking activities in or affecting any of the Relevant Jurisdictions or any disruption in commercial banking or foreign exchange trading or securities settlement or clearing services, procedures or matters in or affecting any of the Relevant Jurisdictions; or

(f) other than with the prior written consent of the Sole Representative, the issue or requirement to issue by our Company of a supplement or amendment to this prospectus or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC; or

(g) the commencement by any Governmental Authority (as defined in the Hong Kong Underwriting Agreement) or other regulatory or political body or organization of any public action or investigation against a Group company or a director, a supervisor or a senior management member of any Group company or announcing an intention to take any such action; or

(h) the imposition of economic sanctions or export controls on any Group company or any of the Controlling Shareholders or by or on any Relevant Jurisdiction, or the withdrawal of trading privileges which existed on the date of the Hong Kong Underwriting Agreement, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction; or

(i) any valid demand by creditors for repayment of indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity; or

(j) any non-compliance of this prospectus or the CSRC filings (or any other documents used in connection with the contemplated offering, allotment, issue, subscription or sale of any of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable Laws; or

(k) any litigation, dispute, legal action or claim or regulatory or administrative investigation or action being threatened, instigated or announced against any member of the Group or any Controlling Shareholder or any Director or senior management members as named in this prospectus; or

(l) any contravention by any Group company, any Director of the Listing Rules, the AIX Business Rules, the AIFC Market Rules or applicable Laws; or

(m) any change or prospective change, or a materialization of, any of the risks set out in the section headed "Risk Factors" in this prospectus,

which, individually or in the aggregate, in the sole and absolute opinion of the Sole Sponsor and the Sole Representative:

(A) has or will have or may have a material adverse effect, whether directly or indirectly, on the assets, liabilities, business, general affairs, management, prospects, shareholders' equity, profits, losses, trading positions, results of operations, position or condition, financial or otherwise, or performance of the Company or the Group as a whole; or

(B) has or will have or may have a material adverse effect on the success of the Global Offering or the level of applications under the Hong Kong Public Offering or the level of indications of interest under the International Offering; or

(C) makes or will make or may make it impracticable, inadvisable, inexpedient or incapable for any material part of the Hong Kong Underwriting Agreement, the Hong Kong Public Offering and the Global Offering to proceed or to be performed or implemented as envisaged or to market the Global Offering or the delivery of the Offer Shares on the terms and in the manner contemplated by the Offer Related Documents (as defined below); or

(D) has or will have or may have the effect of making any part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing or delaying the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(2) there has come to the notice of the Sole Sponsor and the Sole Representative that:

(a) any statement contained in any of the Offering Documents, the CSRC filings (and/or any notices, announcements, advertisements, communications or other documents issued or used by or on behalf of our Company in connection with the Hong Kong Public Offering (including any supplement or amendment thereto) (the "**Global Offering Documents**") was, when it was issued, or has become untrue, incorrect, inaccurate in any material respect or misleading; or that any estimate, forecast, expression of opinion, intention or expectation contained in any such documents, was, when it was issued, or has become unfair or misleading in any respect or based on untrue, dishonest or unreasonable assumptions or given in bad faith; or

(b) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission or misstatement in any Global Offering Document; or

(c) any breach of, or any event or circumstance rendering untrue or incorrect or misleading in any respect, any of the representations, warranties and undertaking given by our Company or the Controlling Shareholders in the Hong Kong Underwriting Agreement or the International Underwriting Agreement; or

(d) any event, act or omission which gives rise or is likely to give rise to any liability of any of the Indemnifying Parties pursuant to the indemnities in the Hong Kong Underwriting Agreement; or

(e) any breach of any of the obligations or undertakings imposed upon our Company or any member of the Controlling Shareholders to the Hong Kong Underwriting Agreement or the International Underwriting Agreement or the Cornerstone Investment Agreements; or

(f) there is any change or development involving a prospective change, having a Material Adverse Effect; or

(g) that the Chairman of the Board, any Director or any member of senior management of our Company named in this prospectus seeks to retire, or is removed from office or vacating his/her office; or

(h) any Director or any member of senior management of our Company named in this prospectus is being charged with an indictable offense or prohibited by operation of law or otherwise disqualified from taking part in the management or taking directorship of a company; or

(i) our Company withdraws this prospectus (and/or any other documents used in connection with the subscription or sale of any of the Offer Shares pursuant to the Global Offering) or the Global Offering; or

(j) that the approval by the Listing Committee of the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including pursuant to any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, canceled, qualified (other than by customary conditions), revoked or withheld; or

(k) that the approval by the relevant authority of the AIX for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the AIX Offering and any exercise of the Over-allotment Option) is refused or not granted, other than subject to customary conditions, on or before the Listing Date, or if granted, the approval is subsequently withdrawn, canceled, qualified (other than by customary conditions), revoked or withheld; or

(l) any person (other than any of the Sole Sponsor) has withdrawn or sought to withdraw its consent to the issue of any of the Offering Documents with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears; or

(m) any prohibition on our Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering; or

(n) an order or petition is presented for the winding-up or liquidation of any member of the Group, or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group or anything analogous thereto occurs in respect of any member of the Group; or

(o) (A) the notice of acceptance of the CSRC filings issued by the CSRC and/or the results of the CSRC filings published on the website of the CSRC is rejected, withdrawn, revoked or invalidated; or (B) other than with the prior written consent of the Sole Representative, the issue or requirement to issue by our Company of a supplement or amendment to the CSRC filings pursuant to the CSRC Rules (as defined in the Hong Kong Underwriting Agreement) or upon any requirement or request of the CSRC; or (C) any non-compliance of the CSRC filings with the CSRC Rules or any other applicable Laws; or

(p) that a material portion of the orders placed or confirmed in the bookbuilding process, or investment commitments made by any cornerstone investors under the Cornerstone Investment Agreements signed with such cornerstone investor, have been withdrawn, terminated or canceled, as a result of the payment of the relevant investment amount not being received or settled in the stipulated time and manner or otherwise;

(q) the Stock Borrowing Agreement is not duly authorized, executed and delivered in accordance with the terms of the Stock Borrowing Agreement or it is terminated (except in the event that there is no over-allocation in the International Offering).

then the Sole Representative (for itself and on behalf of the other Hong Kong Underwriters) may, in its sole and absolute discretion and upon giving notice in writing to our Company, terminate the Hong Kong Underwriting Agreement with immediate effect.

Undertakings to the Stock Exchange Pursuant to the Listing Rules

By Our Company

Pursuant to Rule 10.08 of the Listing Rules, we have undertaken to the Stock Exchange that we will not issue any further Shares or securities convertible into equity securities (whether or not of a class already listed) or enter into any agreement to such issue within six months from the date on which dealings in our Shares commence on the Stock Exchange (whether or not such issue of Shares or securities will be completed within six months from the commencement of dealing), except pursuant to the Global Offering, or under any of the circumstances provided under Rule 10.08 of the Listing Rules.

By the Controlling Shareholders

Pursuant to Rule 10.07(1) of the Listing Rules, each of the Controlling Shareholders has undertaken to the Stock Exchange and us that he/it shall not and shall procure that the relevant registered holder(s) of Shares shall not:

(a) in the period commencing on the date by reference to which disclosure of his/its shareholding is made in this prospectus and ending on the date which is six months from the Listing Date, dispose of, nor enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of, any of those Shares or securities of our Company in respect of which he/it is shown by this prospectus to be the beneficial owner (as defined in Rule 10.07(2) of the Listing Rules) (the "**Relevant Securities**"); and

(b) in the period of six months commencing on the date on which the period referred to in paragraph (a) above expires, dispose of, enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Relevant Securities if, immediately following such disposal or upon the exercise or enforcement of such options, rights, interests or encumbrances, he/it would cease to be a controlling shareholder (as defined in the Listing Rules) of the Company and/or a group of controlling shareholders (as defined in the Listing Rules) of our Company, as the case may be.

Pursuant to Note 3 to Rule 10.07(2) of the Listing Rules, each of the Controlling Shareholders has also undertaken to the Stock Exchange and us that, within the period commencing on the date by reference to which disclosure of his/its shareholding is made in this prospectus and ending on the date which is 12 months from the Listing Date, he/it will:

(a) when he/it pledges or charges any Shares or other securities of our Company beneficially owned by him/it in favor of an authorized institution (as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)) for a bona fide commercial loan, immediately inform us of such pledge or charge together with the number of such Shares or other securities of our Company so pledged or charged; and

(b) when he/it receives any indications, either verbal or written, from the pledgee or chargee that any of the pledged or charged Shares will be disposed of immediately inform our Company of such indications. We will inform the Stock Exchange as soon as we have been informed of the above matters (if any) by the Controlling Shareholders and disclose such matters in accordance with the publication requirement under the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

(A) Undertakings by Our Company

Except for the offer, issue and sale of the Offer Shares pursuant to the Global Offering and otherwise pursuant to the Listing Rules, during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**First Six-Month Period**"), our Company undertakes to each of the Sole Sponsor, the Sole Representative, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters not to, and to procure each other member of the Group not to, without the prior written consent of the Sole Sponsor and unless in compliance with the requirements of the Listing Rules:

(i) allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to subscribe for or purchase, grant or purchase any option, warrant, contract or right to allot, issue or sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, or repurchase any legal or beneficial interest in any Shares or other securities of our Company, or any interest in any of the foregoing (including, but not limited to, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or securities of our Company, as applicable, or any interest in any of the foregoing), or deposit any Shares or other securities of the Company with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of any Shares or other securities of our Company, or any interest in any of the foregoing (including without limitation, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, as applicable, or any interest in any of the foregoing); or

(iii) enter into any transaction with the same economic effect as any transaction specified in paragraph (i) or (ii) above; or

(iv) offer to or contract to or agree to or announce or publicly disclose any intention to effect any transaction specified in paragraph (i), (ii) or (iii) above,

in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company in cash or otherwise (whether or not the issue of such Shares or other shares or securities will be completed within the First Six-Month Period).

During the period of six months commencing on the date on which the First Six-Month Period expires (the "**Second Six-Month Period**"), in the event that our Company enters into any of the transactions specified in (i), (ii) or (iii) above or offers to or agrees to or announces or publicly discloses any intention to effect any such transaction, our Company undertakes to take all reasonable steps to ensure that such transaction, agreement, announcement or disclosure (as the case maybe) will not create a disorderly or false market in the securities of our Company. The Controlling Shareholders undertake to each of the Sole Sponsor, the Sole Representative, the Overall Coordinators, the Joint Global Coordinator, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters to procure our Company to comply with the undertakings above.

(B) Undertakings by the Controlling Shareholders

Each member of our Controlling Shareholders has undertaken to each of our Company, the Sole Sponsor, the Sole Representative, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters that, except as pursuant to the Global Offering (including pursuant to the Over-allotment Option and the Stock Borrowing Agreement (as applicable)), without the prior written consent of the Sole Sponsor and the Sole Representative (for itself and on behalf of the other Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, he/it will not, and will procure that the relevant registered holder(s), any nominee or trustee holding on trust for him or it and the companies controlled by him or it and/or entities which entrusted him, her or it to exercise their voting rights will not, at any time during the First Six-Month Period and the Second Six-Month Period:

(i) sell, offer to sell, contract or agree to sell, mortgage, charge, pledge, hypothecate, lend, grant or sell any option, warrant, contract or right to purchase, grant or purchase any option, warrant, contract or right to sell, or otherwise transfer or dispose of or create an encumbrance over, or agree to transfer or dispose of or create an encumbrance over, either directly or indirectly, conditionally or unconditionally, any Shares or other securities of our Company, or any interest in any of the foregoing (including, but not limited to, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of our Company, as applicable, or any interest in any of the foregoing) (the "**Locked-up Securities**"), or deposit any Shares or other securities of our Company with a depositary in connection with the issue of depositary receipts; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership (legal or beneficial) of, any Locked-up Securities; or

(iii) enter into any transaction with the same economic effect as any transaction specified in (i) or (ii) above; or

(iv) offer to or contract to or agree to or announce or publicly disclose any intention to effect any transaction specified in (i), (ii) or (iii) above, in each case, whether any of the transactions specified in (i), (ii) or (iii) above is to be settled by delivery of Shares or other securities of our Company or in cash or otherwise (whether or not the issue of such Shares or other securities will be completed within the First Six-Month Period or the Second Six-Month Period).

Until the expiry of the Second Six-Month Period, in the event that he/it enters into any of the transactions specified in (i), (ii) or (iii) above or offers to or agrees to or announces any intention to effect any such transaction, he/it will take all reasonable steps to ensure that he/it will not create a disorderly or false market in the securities of our Company provided that, subject to strict compliance with any requirements of applicable laws (including, without limitation and for the avoidance of doubt, the requirements of the Stock Exchange or of the SFC or of any other relevant authority).

The restrictions aforesaid do not apply to any pledge or charge of any Shares or other securities of our Company, as applicable, or any interest in any of the foregoing (including, but not limited to, any securities convertible into or exchangeable or exercisable for or that represent the right to receive, or any warrants or other rights to purchase, any Shares or other securities of the Company, as applicable, or any interest in any of the foregoing) after the Global Offering in favor of an authorized institution as defined in the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) for a bona fide commercial loan, provided that at any time during the First Six-Month Period and the Second Six-Month period, he/it will and will procure that the relevant registered holder(s), any nominee, trustee holding on trust for him, her or it and the companies controlled by him or it will (i) if and when he/it pledges or charges any

Shares or other securities of our Company beneficially owned by him/it, immediately inform our Company, the Sole Sponsor and the Sole Representative in writing of such pledge or charge together with the number of Shares or other securities (or interest therein) of our Company so pledged or charged; and (ii) if and when he/it or the relevant registered holder(s) or any nominee or trustee holding on trust for him, her or it or the companies controlled by him, her or it receives indications, either verbal or written, from any pledgee or chargee that any of the pledged or charged Shares or other securities (or interest therein) of our Company will be disposed of, immediately inform our Company, the Sole Sponsor and the Sole Representative in writing of such indications. Our Company shall, as soon as practicable upon receiving such information in writing from the member of the Controlling Shareholders and if required pursuant to the Listing Rules, notify the Stock Exchange and make a public disclosure in relation to such information by way of an announcement.

Indemnity

We and our Controlling Shareholders have agreed to indemnify, among others, the Sole Sponsor, the Sole Representative, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries and the Hong Kong Underwriters for certain losses which they may suffer, including, among others, losses arising from the performance of their obligations under the Hong Kong Underwriting Agreement and any breach or alleged breach by our Company or the covenantors of the Hong Kong Underwriting Agreement, as the case may be.

The International Offering

International Underwriting Agreement

In connection with the International Offering, it is expected that our Company will enter into the International Underwriting Agreement with, among others, the Sole Sponsor, the Sole Representative and the International Underwriters. Under the International Underwriting Agreement, subject to the conditions set forth therein, the International Underwriters would, severally and not jointly, agree to purchase, or procure purchasers to purchase, the Offer Shares being offered pursuant to the International Offering (subject to, among others, any reallocation between the International Offering and the Hong Kong Public Offering). It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors are reminded that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed.

It is expected that each member of our Controlling Shareholders will undertake to the International Underwriters not to dispose of, or enter into any agreement to dispose of, or otherwise create any options, rights, interest or encumbrances in respect of any of the Shares held by them in our Company for a period similar to such undertakings given by them pursuant to the Hong Kong Underwriting Agreement, which is described in "— Underwriting Arrangements — Undertakings pursuant to the Hong Kong Underwriting Agreement — (B) Undertakings by the Controlling Shareholders" above.

Over-allotment Option

We expect to grant to the International Underwriters, exercisable in whole or in part by the Sole Representative at their sole and absolute discretion (for itself and on behalf of the other International Underwriters), the Over-allotment Option, which will be exercisable from the Listing Date until up to (and including) the date which is the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering, to require our Company to issue up to an aggregate of 16,471,200 Shares, representing no more than approximately 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering to cover over-allocations in the International Offering, if any.

Commissions and Expenses

The Underwriters and the Capital Market Intermediaries will receive an underwriting commission equal to 2.5% of the aggregate Offer Price payable for the Offer Shares (including the Shares to be issued pursuant to the Over-allotment Option) (the "**Fixed Fees**"), out of which they will pay any sub-underwriting commissions and other fees. Our Company may, at our sole discretion, pay to one or more Underwriters or Capital Market Intermediaries an incentive fee of up to 1.0% of the Offer Price payable for the Offer Shares (including the Shares to be issued pursuant to the Over-allotment Option) (the "**Discretionary Fees**"). Assuming the Discretionary Fees are paid in full, the ratio of Fixed Fees and Discretionary Fees payable is therefore 71.4:28.6.

Assuming the Over-allotment Option is not exercised, based on the Offer Price of HK$10.92 per Share, the aggregate commissions and fees, together with Stock Exchange listing fees, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565%, AFRC transaction levy of 0.00015%, legal and other professional fees and printing and all other expenses relating to the Global Offering, which are currently estimated to amount in aggregate to approximately HK$108.2 million are payable and borne by our Company.

The expenses in connection with admission of the Shares to the Official List of the AIX and initial admission of the Shares to trading on the AIX are estimated to be US$20, and the expenses in connection with the trading on the AIX (including annual admission to trading fee) shall be calculated on the basis of market capitalization in accordance with the AIX fee schedule published on the AIX website.

INDEPENDENCE OF THE SOLE SPONSOR

China International Capital Corporation Hong Kong Securities Limited confirms that it satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

UNDERWRITERS' INTERESTS IN OUR COMPANY

The Overall Coordinators and other Underwriters will receive an underwriting commission. Particulars of these underwriting commissions and expenses are set out in "— Underwriting Arrangements — Commissions and Expenses" above for further details.

Save for the obligations under the Underwriting Agreements and as disclosed in this prospectus, none of the Overall Coordinators or the Underwriters has any shareholding or beneficial interests in any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or purchase or to nominate persons to subscribe for or purchase securities in any member of our Group.

Following the completion of the Global Offering, the Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their obligations under the Underwriting Agreements.

ACTIVITIES BY SYNDICATE MEMBERS

The Underwriters of the Hong Kong Public Offering and the International Offering (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments our Company and/or persons and entities with relationships with our Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with our Group's loans and other debt.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in "Structure of the Global Offering." Such activities may affect the market price or value of our Shares, the liquidity or trading volume in our Shares and the volatility of the price of our Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to our Company and our affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(a) the Hong Kong Public Offering of initially 10,981,200 Shares (subject to reallocation) in Hong Kong as described below in the section headed "— The Hong Kong Public Offering"; and

(b) the International Offering of initially 98,827,600 Shares (including 1,317,600 Shares under the AIX Offering) (subject to reallocation and the Over-allotment Option) outside the United States in reliance on Regulation S.

Investors may apply for the Hong Kong Offer Shares under the Hong Kong Public Offering or if qualified to do so, apply for or indicate an interest in the International Offer Shares under the International Offering, but may not do both.

AIX OFFERING

Starting from 1 June 2022 (following the retrospective amendments introduced by the Law on Amendments), (i) the Global Offering is exempted from prior written permission of the AFR; and (ii) the Company is not subject to mandatory offer of the new Shares for purchase on any local stock exchange in Kazakhstan (including the AIX and the KASE) as part of the International Offering. Nevertheless, in order for the investors to enjoy the benefits of the AIFC Exemption, our Shares will be listed and offered for acquisition on the AIX. As such, along with the Hong Kong Public Offering and as part of the International Offering, our Company will, through the AIX Offering offer not less than 1,317,600 Shares on the AIX.

The AIX Offering is being made by way of an offer of the Shares to institutional and retail investors in Kazakhstan through the facilities of the AIX pursuant to its regulations, bookbuilding and settlement procedures.

The AIX Offering will involve marketing of the Shares to investors in Kazakhstan. Prospective investors will be required to specify the number of Shares under the AIX Offering they would be prepared to acquire either at different prices or at a particular price or as per information contained in the relevant AIX Market Notices and published by the AIX.

The number of Hong Kong Offer Shares and International Offer Shares to be offered under the Hong Kong Public Offering and the International Offering (including the AIX Offering), respectively, may be subject to reallocation as described in the paragraph headed "The Hong Kong Public Offering — Reallocation" in this section.

The AIX Offering will be carried out in accordance with this prospectus under the AIX and AIFC rules and regulations. The AIX Offering will be led by and managed solely by the AIX bookrunners. Prospective investors who intend to participate in the AIX Offering should review the offering circular with a copy of this prospectus attached thereto, which contains important information about the AIX Offering. The Shares will be offered through the AIX Offering at the AIX Offer Price.

THE HONG KONG PUBLIC OFFERING

Number of Shares Initially Offered

We are initially offering 10,981,200 Shares, representing approximately 10.0% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price for subscription by the public in Hong Kong. Subject to the reallocation of the Offer Shares between (1) the International Offering; and (2) the Hong Kong Public Offering, the Hong Kong Offer Shares will represent approximately 2.5% of our Company's issued share capital immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers and companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a several basis under the terms of the Hong Kong Underwriting Agreement. Completion of the Hong Kong Public Offering is subject to the conditions as set out in "— Conditions of the Global Offering" below.

Allocation

Allocation of the Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of the Offer Shares initially available under the Hong Kong Public Offering (after taking account of any reallocation in the number of Offer Shares allocated between the Hong Kong Public Offering and the International Offering referred to below) will be divided into two pools (with any odd lots being allocated to pool A): pool A and pool B.

Pool A will initially comprise 5,490,800 Hong Kong Offer Shares and pool B will initially comprise 5,490,400 Hong Kong Offer Shares, both of which are available on a fair basis to successful applicants. All valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of HK$5 million or below will fall into pool A. All valid applications that have been received for Hong Kong Offer Shares with a total amount (excluding brokerage of 1.0%, SFC transaction levy of 0.0027%, Stock Exchange trading fee of 0.00565% and AFRC transaction levy of 0.00015%) of over HK$5 million and up to the total value of pool B will fall into pool B.

Applicants should be aware that applications in pool A and applications in Pool B may receive different allocation ratios. If Hong Kong Offer Shares in one (but not both) of the two pools are undersubscribed, the surplus Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly.

Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B, but not from both pools. Multiple or suspected multiple applications and any application for more than 5,490,400 Hong Kong Offer Shares (being approximately 50% of the 10,981,200 Offer Shares initially available under the Hong Kong Public Offering) will be rejected.

Reallocation

The Offer Shares to be offered in the Hong Kong Public Offering and the International Offering may, in certain circumstances, be reallocated as between these offerings at the discretion of the Sole Representative. Subject to the allocation cap described in the subsequent paragraph, the Sole Representative may in its discretion reallocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering. In addition, if the Hong Kong Public Offering is not fully subscribed, the Sole Representative will have the discretion (but shall not be under any obligation) to reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such amounts as they deem appropriate.

In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Sole Representative deem appropriate.

In the event of reallocation of Offer Shares between the International Offering and the Hong Kong Public Offering in the circumstances where (a) the International Offer Shares are fully subscribed or oversubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, or (b) the International Offer Shares are undersubscribed and the Hong Kong Offer Shares are fully subscribed or oversubscribed irrespective of the number of times, then up to 5,490,000 Offer Shares may be reallocated from the International Offering to the Hong Kong Public Offering, so that the total number of Offer Shares available for subscription under the Hong Kong Public Offering will increase up to 16,471,200 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option).

Given the initial allocation of the Offer Shares to the Hong Kong Public Offering and the International Offering follows the provision of Paragraph 4.2(b) of Practice Note 18 of the Listing Rules, no mandatory clawback or reallocation mechanism is required to increase the number of Offer Shares under the Hong Kong Public Offering to a certain percentage of the total number of Offer Shares offered under the Global Offering.

Details of any reallocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Global Offering expected to be published on Wednesday, August 27, 2025.

Applications

The Sole Representative (for itself and on behalf of the Underwriters) may require any investor who has been offered the International Offer Shares under the International Offering, and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sole Representative so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that it is excluded from any application for the Hong Kong Offer Shares under the Hong Kong Public Offering.

Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the application submitted by him/it that he/it and any person(s) for whose benefit he/it is making the application has not applied for or taken up, or indicated an interest in, and will not apply for or take up, or indicate an interest in, any International Offer Shares under the International Offering, and such applicant's application is liable to be rejected if the said undertaking and/or confirmation is breached and/or untrue (as the case may be) or he/it has been or will be placed or allocated with International Offer Shares under the International Offering.

Applicants under the Hong Kong Public Offering are required to pay, on application (subject to application channel), the Offer Price of HK$10.92 per Offer Share in addition to the brokerage, SFC transaction levy, Stock Exchange trading fee and AFRC transaction levy payable on each Offer Share. Further details are set out in "How to Apply for Hong Kong Offer Shares."

References in this prospectus to applications, application monies or the procedure for application relate solely to the Hong Kong Public Offering.

THE INTERNATIONAL OFFERING

Number of Offer Shares Offered

Subject to the reallocation as described above, the number of Offer Shares to be initially offered under the International Offering will be 98,827,600 Shares (including 1,317,600 Shares under the AIX Offering), representing approximately 90.0% of the total number of Offer Shares initially available under the Global Offering. The International Offering is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, and is subject to the Hong Kong Public Offering becoming unconditional.

Allocation

The International Offering will include selective marketing of Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States in offshore transactions in reliance on Regulation S. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. The International Offering is subject to the Hong Kong Public Offering being unconditional.

Allocation of Offer Shares pursuant to the International Offering will be effected in accordance with the "bookbuilding" process described in "— Pricing and Allocation" below and based on a number of factors, including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely hold or sell Shares, after the listing of our Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid shareholder base to the benefit of our Company and our Shareholders as a whole.

The Sole Representative (for itself and on behalf of the Underwriters) may require any investor who has been offered the Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering, to provide sufficient information to the Sole Representative (for itself and on behalf of the Underwriters) so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of the Offer Shares under the International Offering.

Reallocation

The total number of Offer Shares to be issued pursuant to the International Offering may change as a result of the exercise of the Over-allotment Option in whole or in part described in "— Over-allotment Option" below and/or any reallocation of unsubscribed Hong Kong Offer Shares to the International Offering at the discretion of the Sole Representative.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, it is expected that our Company will grant the Over-allotment Option to the International Underwriters, which will be exercisable by the Sole Representative (for itself and on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters have the right, exercisable by the Sole Representative (for itself and on behalf of the other International Underwriters) at any time from the Listing Date to the 30th day after the last day for lodging applications under the Hong Kong Public Offering, to require the Company to issue up to 16,471,200 new Shares, representing approximately 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Offering, to cover over-allocations in the International Offering, if any. If the Over-allotment Option is exercised in full, the additional Offer Shares will represent approximately 15% of the total number of Shares in issue immediately following the completion of the Global Offering and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, an announcement will be made.

STOCK BORROWING AGREEMENT

China International Capital Corporation Hong Kong Securities Limited, as the Stabilizing Manager, or any person acting for it may choose to borrow Shares from Ever Trillion under the Stock Borrowing Agreement, or acquire Shares from other sources, including the exercise of the Over-allotment Option. The Stock Borrowing Agreement will not be subject to the restrictions of Rule 10.07(1)(a) of the Listing Rules provided that the requirements set forth in Rule 10.07(3) of the Listing Rules are to be complied with as follows:

- such stock borrowing arrangement with Ever Trillion will only be effected by the Stabilizing Manager for the sole purpose of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering;

- the maximum number of Shares borrowed from Ever Trillion under the Stock Borrowing Agreement will be limited to the maximum number of Shares which may be issued upon exercise of the Over-allotment Option;

- the same number of Shares so borrowed must be returned to Ever Trillion or its nominees on or before the third business day following the earlier of (i) the last day on which the Over-allotment Option may be exercised, (ii) the date on which the Over-allotment Option is exercised in full and the relevant over-allocation shares have been allocated, and (iii) such earlier time as the parties may from time to time agree in writing;

- the stock borrowing arrangement under the Stock Borrowing Agreement will be effected in compliance with all applicable laws, listing rules and regulatory requirements; and

- no payment will be made to Ever Trillion by the Stabilizing Manager or its authorized agents in relation to such stock borrowing arrangement.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard and, if possible, prevent any decline in the market price of the securities below the offer price. In Hong Kong and a number of other jurisdictions, activity aimed at reducing the market price is prohibited, and the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager or any person acting for it, on behalf of the Underwriters, may over-allocate or effect short sales or any other stabilizing transactions with a view to stabilizing or maintaining the market price of the Offer Shares at a level higher than that which might otherwise prevail in the open market. Short sales involve the sale by the Stabilizing Manager of a greater number of Shares than the Underwriters are required to purchase in the Global Offering. "Covered" short sales are sales made in an amount not greater than the Over-allotment Option. The Stabilizing Manager may close out the covered short position by either exercising the Over-allotment Option to purchase additional Offer Shares or purchasing Shares in the open market. In determining the source of the Offer Shares to close out the covered short position, the Stabilizing Manager will consider, among other things, the price of Offer Shares in the open market as compared to the price at which they may purchase additional Offer Shares pursuant to the Over-allotment Option. Stabilizing transactions consist of certain bids or purchases made for the purpose of preventing or curbing a decline in the market price of the Offer Shares while the Global Offering is in progress. Any market purchases of the Shares may be effected on any stock exchange, including the Stock Exchange, any over-the-counter market or otherwise, provided that they are made in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the Stabilizing Manager or any person acting for it to conduct any such stabilizing action. Such stabilizing activity, if commenced, will be done at the absolute discretion of the Stabilizing Manager and may be discontinued at any time.

Any such stabilizing activity is required to be brought to an end within 30 days of the last day for the lodging of applications under the Hong Kong Public Offering. The number of the Offer Shares that may be over-allocated will not exceed the number of the Shares that may be issued under the Over-allotment Option, namely, 16,471,200 Offer Shares, which is approximately 15% of the number of Offer Shares initially available under the Global Offering, and cover such over-allocations by exercising the Over-allotment Option or by making purchases in the secondary market on the Stock Exchange at prices that do not exceed the Offer Price or a combination of these means.

In Hong Kong, stabilizing activities must be carried out in accordance with the Securities and Futures (Price Stabilizing) Rules. Stabilizing actions permitted pursuant to the Securities and Futures (Price Stabilizing) Rules include:

(a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of our Shares;

(b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares;

(c) purchasing or subscribing for, or agreeing to purchase or subscribe for, our Shares pursuant to the Over-allotment Option in order to close out any position established under (a) or (b) above;

(d) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price;

(e) selling or agreeing to sell any of our Shares in order to liquidate any position established as a result of those purchases; and

(f) offering or attempting to do anything as described in (b), (c), (d) or (e) above.

Stabilizing actions by the Stabilizing Manager, or any person acting for it, will be entered into in accordance with the laws, rules and regulations in place in Hong Kong on stabilization.

Prospective applications for investors in the Offer Shares should note that:

(a) as a result of effecting transactions to stabilize or maintain the market price of the Shares, the Stabilizing Manager, or any person acting for it, may maintain a long position in the Shares;

(b) the size of the long position, and the period for which the Stabilizing Manager, or any person acting for it, will maintain the long position is at the discretion of the Stabilizing Manager and is uncertain;

(c) liquidation of any such long position by the Stabilizing Manager and selling in the open market may lead to a decline in the market price of the Shares;

(d) no stabilizing action can be taken to support the price of the Shares for longer than the stabilizing period, which begins on the Listing Date, and is expected to expire on Wednesday, September 24, 2025 HKT, being the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and their market price, could fall after the end of the stabilizing period. These activities by the Stabilizing Manager may stabilize, maintain or otherwise affect the market price of the Shares. As a result, the price of the Shares may be higher than the price that otherwise may exist in the open market;

(e) any stabilizing action taken by the Stabilizing Manager, or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilizing period; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at a price at or below the Offer Price and therefore at or below the price paid by applicants for, or investors in, the Offer Shares.

Our Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong) will be made within seven days of the expiration of the stabilizing period.

THE AIX OFFERING

Number of Shares Offered

The number of Shares to be initially offered for subscription under the AIX Offering will consist of an initial offering of 1,317,600 Shares, representing approximately 1.2% of the total number of Offer Shares under the Global Offering (subject to reallocation and assuming the Over-allotment Option is not exercised).

Allocation

Pursuant to the AIX Offering, the Shares will be placed to investors at the sole discretion of our Company through the AIX. The AIX Offering is subject to the Hong Kong Public Offering being unconditional. The allocation of the Shares is based on the sole discretion of our Company through the AIX. Such allocation is intended to result in a distribution of our Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of our Company and our Shareholders as a whole.

Reallocation

Reallocation between the International Offering (excluding AIX Offering) and the AIX Offering will be based solely on the level of applications received under the International Offering (excluding AIX Offering) and the AIX Offering.

Where the AIX Offering is fully subscribed or oversubscribed:

1. If the International Offering (excluding AIX Offering) is undersubscribed, any unsubscribed Shares to be offered under the International Offering (excluding AIX Offering) will be reallocated to the AIX Offering. Taking into account the level of applications received under the AIX Offering, the number of Shares under the International Offering may subject to reallocation mechanism as set out in the paragraph headed "The Hong Kong Public Offering—Reallocation" in this section; and

2. If the International Offering (excluding AIX Offering) is fully subscribed or oversubscribed, there will be no reallocation between the AIX Offering and the International Offering (excluding AIX Offering). In such case, the International Offering will be fully subscribed or oversubscribed, the number of Shares under the International Offering may subject to reallocation mechanism as set out in the paragraph headed "The Hong Kong Public Offering—Reallocation" in this section.

Where the AIX Offering is undersubscribed:

1. If the International Offering (excluding AIX Offering) is undersubscribed, the International Offering will be undersubscribed and subject to the reallocation as set out in the paragraph headed "The Hong Kong Public Offering—Reallocation" in this section; and

2. If the International Offering (excluding the AIX Offering) is fully subscribed or oversubscribed, any unsubscribed Shares to be offered under the AIX Offering shall be reallocated to the International Offering (excluding AIX Offering). Taking into account the level of applications received under the International Offering (excluding AIX Offering), the number of Shares under the International Offering may subject to reallocation mechanism as set out in the paragraph headed "The Hong Kong Public Offering— Reallocation" in this section.

In the event of reallocation of Shares between the International Offering (excluding AIX Offering) and the AIX Offering, it is currently expected that the reallocation of the Shares initially offered would take place on or after Tuesday, August 26, 2025 and prior to the announcement of the results of allocations, which is currently expected to be on or before Wednesday, August 27, 2025. Such reallocation between the International Offering (excluding AIX Offering) and AIX Offering will be confirmed in the announcement of the results of allocations.

Please refer to the table below for the reallocation mechanism between (i) the Hong Kong Public Offering and the International Offering where the number of Shares offered under the International Offering (excluding AIX Offering) and the AIX Offering will be taken as a whole; (ii) the AIX Offering and the International Offering (excluding AIX Offering):

<table>
<tr><td colspan="3" rowspan="2"></td><td rowspan="2">Reallocation between HKIO and AIXO (if any)</td><td colspan="2">Hong Kong Public Offering</td></tr>
<tr><td>Undersubscribed</td><td>Fully subscribed or oversubscribed</td></tr>
<tr><td rowspan="6">International Offering</td><td rowspan="3">Undersubscribed</td><td>Both HKIO and AIXO undersubscribed</td><td>No reallocation between HKIO and AIXO</td><td rowspan="3">IPO cannot proceed unless shortfall is taken up by underwriters</td><td rowspan="3">Restrictions on reallocation apply[4]</td></tr>
<tr><td>HKIO undersubscribed and AIXO fully or oversubscribed</td><td>Unsubscribed shares under HKIO shall be reallocated to AIXO[2]</td></tr>
<tr><td>HKIO fully or oversubscribed and AIXO undersubscribed</td><td>Unsubscribed shares under AIXO shall be reallocated to HKIO[3]</td></tr>
<tr><td rowspan="3">Fully subscribed or over subscribed</td><td>Both HKIO and AIXO fully or oversubscribed</td><td>No reallocation between HKIO and AIXO</td><td rowspan="3">The Overall Coordinator may reallocate all unsubscribed Hong Kong Offer Shares to the International Offering in such proportions as the Sole Representative deems appropriate</td><td rowspan="3">Restrictions on reallocation apply[4]</td></tr>
<tr><td>HKIO undersubscribed and AIXO fully or oversubscribed</td><td>Unsubscribed shares under HKIO shall be reallocated to AIXO[2]</td></tr>
<tr><td>HKIO fully or oversubscribed and AIXO undersubscribed</td><td>Unsubscribed shares under AIXO shall be reallocated to HKIO[3]</td></tr>
</table>

Notes:

1. For illustration purpose, in this table, "HKPO" refers to Hong Kong Public Offering; "AIXO" refers to AIX Offering; and "HKIO" refers to International Offering (excluding AIX Offering).

2. Any unsubscribed Shares under the International Offering (excluding AIX Offering) shall be reallocated to the AIX Offering.

3. Any unsubscribed Shares under the AIX Offering shall be reallocated to the International Offering (excluding AIX Offering).

4. The maximum number of Shares under the Hong Kong Public Offering after reallocation shall be 16,471,200 Offer Shares, representing approximately 15% of the number of Offer Shares initially available under the Hong Kong Public Offering (before any exercise of the Over-allotment Option). Please refer to the paragraph headed "The Hong Kong Public Offering — Reallocation" in this section.

PRICING AND ALLOCATION

The International Underwriters will be soliciting from prospective investors' indications of interest in acquiring Offer Shares in the International Offering. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as "bookbuilding", is expected to continue up to, and to cease on or around, the last day for lodging applications under the Hong Kong Public Offering.

The Offer Price will be HK$10.92 per Offer Share, unless otherwise announced. Applicants under the Hong Kong Public Offering must pay, on application (subject to application channels), the Offer Price of HK$10.92 per Share, plus 1.0% brokerage, 0.0027% SFC transaction levy, AFRC transaction levy of 0.00015% and 0.00565% Stock Exchange trading fee.

Reduction in Offer Price and/or Number of Offer Shares

The Sole Representative (for itself and on behalf of the Underwriters) may, where considered appropriate, based on the level of indications of interest expressed by prospective professional and institutional investors during the bookbuilding process, and with the consent of our Company, reduce the number of Offer Shares and/or the Offer Price as stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such case, we will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering, cause to be announced on the website of the Company at **www.jiaxinir.com** and the website of the Stock Exchange at **www.hkexnews.hk** notices of the reduction of the Offer Shares and/or the Offer Price, the cancellation of the Global Offering and the relaunch of the offer at the revised number of Offer Shares and/or the revised Offer Price.

Our Company will also, as soon as practicable following the decision to make such change, issue a supplemental or new prospectus updating investors of the change in the number of Offer Shares and/or the Offer Price, and giving investors at least three business days to consider the new information. The supplemental or new prospectus should include at least the following: updated (i) Offer Price and market capitalization; (ii) listing timetable and underwriting obligations; (iii) unaudited pro forma and adjusted net tangible assets; and (iv) use of proceeds and confirmation of the working capital adequacy based on the revised estimated proceeds.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price may not be made until the day which is the last day for lodging applications under the Hong Kong Public Offering, which is Monday, August 25, 2025. In the absence of any such notice so announced and any such supplemental or new prospectus so published, the number of Offer Shares and/or the Offer Price will not be reduced.

If there is any change to the offer size due to change in the number of Offer Shares initially offered in the Global Offering (other than pursuant to the reallocation mechanism and the exercise of the Over-allotment Option as disclosed in this prospectus), or change to the Offer Price, or if the Company becomes aware that there has been a significant change affecting any matter contained in this prospectus or a significant new matter has arisen, the inclusion of information in respect of which would have been required to be in this prospectus if it had arisen before this prospectus was issued, after the issue of this prospectus and before the commencement of dealings in our Shares as prescribed under Rule 11.13 of the Listing Rules, we are required to cancel the Global Offering and relaunch the offer on FINI and issue a supplemental prospectus or a new prospectus.

In the event of a reduction in the number of Offer Shares, the Sole Representative (for itself and on behalf of the Underwriters) may, at its discretion, reallocate the number of Offer Shares to be offered in the Hong Kong Public Offering and the International Offering, provided that the number of Offer Shares comprised in the Hong Kong Public Offering shall not be less than 10% of the total number of Offer Shares available under the Global Offering. The Offer Shares to be offered in the Hong Kong Public Offering and the Offer Shares to be offered in the International Offering may, in certain circumstances, be reallocated between these offerings at the discretion of the Sole Representative (for itself and on behalf of the Underwriters).

Announcement of Basis of Allocations

The level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares are expected to be announced on Wednesday, August 27, 2025 HKT on the website of our Company at **www.jiaxinir.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement and is conditional upon the International Underwriting Agreement being signed and becoming unconditional.

We expect to enter into the International Underwriting Agreement relating to the International Offering on or around Tuesday, August 26, 2025.

These underwriting arrangements under the Hong Kong Underwriting Agreement and the International Underwriting Agreement are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptances of all applications for Offer Shares will be conditional on:

(a) the Stock Exchange granting approval for the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the (i) Global Offering, and (ii) the exercise of the Over-allotment Option, and such approval not subsequently having been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(b) the execution and delivery of the International Underwriting Agreement on or about Tuesday, August 26, 2025; and

(c) the obligations of the Underwriters under the respective Underwriting Agreements becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by our Company on the website of the Stock Exchange at **www.hkexnews.hk** and the website of our Company at **www.jiaxinir.com** on the next Business Day following such lapse. In such eventuality, all application monies will be returned, without interest, on the terms set out in "How to Apply for Hong Kong Offer Shares." In the meantime, all application monies will be held in separate bank account(s) with the receiving bankers or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) (as amended).

Share certificates for the Offer Shares are expected to be issued on Wednesday, August 27, 2025 HKT but will only become valid evidence of title at HKT 8:00 a.m. on the Listing Date provided that (1) the Global Offering has become unconditional in all respects, and (2) the right of termination as described in "Underwriting — Underwriting Arrangements — Hong Kong Public Offering — Grounds for Termination" has not been exercised.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued by us pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-allotment Option).

No part of our Company's share or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to deal is being or proposed to be sought in the near future.

Applications have been made for Shares to be admitted to the Official List of the AIX. Trading in the Shares is expected to commence on the AIX on or about Thursday, August 28, 2025 ALMT.

SHARES WILL BE ELIGIBLE FOR CCASS AND AIX CSD

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares on the Stock Exchange or any other date HKSCC chooses. Settlement of transactions between participants of the Stock Exchange (as defined in the Listing Rules) is required to take place in CCASS on the second settlement day after any trading day. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Investors should seek the advice of their stockbroker or other professional advisors for details of the settlement arrangements as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling our Shares to be admitted into CCASS.

The Shares on the AIX will be cleared by the AIX CSD.

DEALING ARRANGEMENTS

Assuming that the Global Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Thursday, August 28, 2025 HKT, it is expected that dealings in the Shares on the Stock Exchange will commence at HKT 9:00 a.m. on Thursday, August 28, 2025. The Shares will be traded in board lots of 400 Shares. The stock code of the Shares will be 3858.

The Shares will be admitted to the Official List of the AIX. Trading in the Shares is expected to commence on the AIX after the settlement of the AIX Offering on the same date. 1,317,600 Shares, which represents approximately 1.2% of the Offer Shares (subject to reallocation and assuming the Over-allotment Option is not exercised), is proposed to be issued through the AIX Offering. The Shares will be traded on the AIX under the trading symbol "JXIR".

IMPORTANT NOTICE TO INVESTORS OF HONG KONG OFFER SHARES

FULLY ELECTRONIC APPLICATION PROCESS

We have adopted a fully electronic application process for the Hong Kong Public Offering and below are the procedures for application.

This prospectus is available at the website of the Stock Exchange at www.hkexnews.hk under the "*HKEXnews > New Listings > New Listing Information*" section, and our website at www.jiaxinir.com.

The contents of this prospectus are identical to the prospectus as registered with the Registrar of Companies in Hong Kong pursuant to section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

A. APPLICATION FOR HONG KONG OFFER SHARES

1. Who Can Apply

You can apply for Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are 18 years of age or older; and
- have a Hong Kong address (for the **White Form eIPO** service only); and
- are outside the United States, and are not a United States Person (as defined in Regulation S).

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you or the person(s) for whose benefit you are applying for:

- are an existing Shareholder;
- are a Director of our Company and/or any of its subsidiaries;
- are a close associate (as defined in the Listing Rules) of any of the above;
- are a person who will become a core connected person of our Company immediately upon completion of the Global Offering; or
- have been allocated or have applied for or indicated an interest in any International Offer Shares or otherwise participate in the International Offering.

2. Application Channels

The Hong Kong Public Offering period will begin at 9:00 a.m. on Wednesday, August 20, 2025 and end at 12:00 noon on Monday, August 25, 2025 (HKT).

To apply for Hong Kong Offer Shares, you may use one of the following application channels:

Application Channel	Platform	Target Investors	Application Time
White Form eIPO service	www.eipo.com.hk	Applicants who would like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in your own name.	From 9:00 a.m. on Wednesday, August 20, 2025 to 11:30 a.m. on Monday, August 25, 2025, HKT The latest time for completing full payment of application monies will be 12:00 noon on Monday, August 25, 2025, HKT.
HKSCC EIPO channel	Your **broker** or **custodian** who is a HKSCC Participant will submit **electronic application instruction(s)** on your behalf through HKSCC's FINI system in accordance with your instruction.	Applicants who would not like to receive a physical Share certificate. Hong Kong Offer Shares successfully applied for will be allotted and issued in the name of HKSCC Nominees, deposited directly into CCASS and credited to your designated HKSCC Participant's stock account.	Contact your broker or custodian for the earliest and latest time for giving such instructions, as this may vary by broker or custodian.

The **White Form eIPO** service and the **HKSCC EIPO** channel are facilities subject to capacity limitations and potential service interruptions and you are advised not to wait until the last day of the application period to apply for Hong Kong Offer Shares.

For those applying through the **White Form eIPO** service, once you complete payment in respect of any application instructions given by you or for your benefit through the **White Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. If you are a person for whose benefit the **electronic application instructions** are given, you shall be deemed to have declared that only one set of **electronic application instructions** has been given for your benefit. If you are an agent for another person, you shall be deemed to have declared that you have only given one set of **electronic application instructions** for the benefit of the person for whom you are an agent and that you are duly authorized to give those instructions as an agent.

For the avoidance of doubt, giving an application instruction under the **White Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you apply through the **White Form eIPO** service, you are deemed to have authorized the **White Form eIPO** service provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **White Form eIPO** service.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to apply for Hong Kong Offer Shares on your behalf and to do on your behalf all the things stated in this prospectus and any supplement to it.

For those applying through **HKSCC EIPO** channel, an actual application will be deemed to have been made for any application instructions given by you or for your benefit to HKSCC (in which case an application will be made by HKSCC Nominees on your behalf) provided such application instruction has not been withdrawn or otherwise invalidated before the closing time of the Hong Kong Public Offering.

HKSCC Nominees will only be acting as a nominee for you and neither HKSCC nor HKSCC Nominees shall be liable to you or any other person in respect of any actions taken by HKSCC or HKSCC Nominees on your behalf to apply for Hong Kong Offer Shares or for any breach of the terms and conditions of this prospectus.

3. Information Required to Apply

You must provide the following information with your application:

For Individual/Joint Applicants	For Corporate Applicants
• Full name(s)[2] as shown on your identity document	• Full name(s)[2] as shown on your identity document
• Identity document's issuing country or jurisdiction	• Identity document's issuing country or jurisdiction
• Identity document type, with order of priority: i. Hong Kong identity card ("**HKID**"); or ii. National identification document; or iii. Passport; and	• Identity document type, with order of priority: i. Legal entity identifier ("**LEI**") registration document; or ii. Certificate of incorporation; or iii. Business registration certificate; or iv. Other equivalent document; and
• Identity document number	• Identity document number

Notes:

1. If you are applying through the **White Form eIPO** service, you are required to provide a valid e-mail address, a contact telephone number and a Hong Kong address. You are also required to declare that the identity information provided by you follows the requirements as described in note 2 below. In particular, where you cannot provide a HKID number, you must confirm that you do not hold a HKID.

2. The applicant's full name as shown on their identity document must be used and the surname, given name, middle and other names (if any) must be input in the same order as shown on the identity document. If an applicant's identity document contains both an English and Chinese name, both English and Chinese names must be used. Otherwise, either English or Chinese names will be accepted. The order of priority of the applicant's identity document type must be strictly followed and where an individual applicant has a valid HKID (including both Hong Kong Residents and Hong Kong Permanent Residents), the HKID number must be used when making an application to subscribe for Hong Kong Offer Shares. Similarly for corporate applicants, a LEI number must be used if an entity has a LEI certificate.

3. If the applicant is a trustee, the client identification data ("**CID**") of the trustee, as set out above, will be required. If the applicant is an investment fund (i.e. a collective investment scheme, or CIS), the CID of the asset management company or the individual fund, as appropriate, which has opened a trading account with the broker will be required, as above.

4. The maximum number of joint applicants on FINI is capped at 4 in accordance with market practice. The maximum number of 4 is subject to change, if the Articles of Association and applicable company law prescribe a lower cap.

5. If you are applying as a nominee, you must provide: (i) the full name (as shown on the identity document), the identity document's issuing country or jurisdiction, the identity document type; and (ii), the identity document number, for each of the beneficial owners or, in the case(s) of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

6. If you are applying as an unlisted company and (i) the principal business of that company is dealing in securities; and (ii) you exercise statutory control over that company, then the application will be treated as being for your benefit and you should provide the required information in your application as stated above.

   "Unlisted company" means a company with no equity securities listed on the Stock Exchange or any other stock exchange.

   "Statutory control" means you:

   - control the composition of the board of directors of the company;
   - control more than half of the voting power of the company; or
   - hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

For those applying through **HKSCC EIPO** channel, and making an application under a power of attorney, we and the Sole Representative, as our agent, have discretion to consider whether to accept it on any conditions we think fit, including evidence of the attorney's authority.

Failing to provide any required information may result in your application being rejected.

4. Permitted Number of Hong Kong Offer Shares for Application

Board lot size	:	400 Offer Shares
Permitted number of Hong Kong Offer Shares for application and amount payable on application/successful allotment . . .	:	Hong Kong Offer Shares are available for application in specified board lot sizes only. Please refer to the amount payable associated with each specified board lot size in the table below. The Offer Price is HK$10.92 per Share. If you are applying through the **HKSCC EIPO** channel, you are required to pre-fund your application based on the amount specified by your broker or custodian, as determined based on the applicable laws and regulations in Hong Kong.

By instructing your broker or custodian to apply for the Hong Kong Offer Shares on your behalf through the **HKSCC EIPO** channel, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have instructed and authorized HKSCC to cause HKSCC Nominees (acting as nominee for the relevant HKSCC Participants) to arrange payment of the Offer Price, brokerage, SFC transaction levy, the Stock Exchange trading fee and the AFRC transaction levy by debiting the relevant nominee bank account at the Designated Bank for your broker or custodian.

If you are applying through the **White Form eIPO** service, you may refer to the table below for the amount payable for the number of Shares you have selected. You must pay the respective amount payable on application in full upon application for Hong Kong Offer Shares.

No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application	No. of Hong Kong Offer Shares applied for	Amount payable on application
	HK$		*HK$*		*HK$*		*HK$*
400	4,412.06	8,000	88,241.03	70,000	772,108.98	900,000	9,927,115.38
800	8,824.10	10,000	110,301.28	80,000	882,410.26	1,000,000	11,030,128.20
1,200	13,236.15	12,000	132,361.54	90,000	992,711.54	1,500,000	16,545,192.30
1,600	17,648.21	14,000	154,421.80	100,000	1,103,012.82	2,000,000	22,060,256.40
2,000	22,060.25	16,000	176,482.05	200,000	2,206,025.65	2,500,000	27,575,320.50
2,400	26,472.31	18,000	198,542.31	300,000	3,309,038.45	3,000,000	33,090,384.60
2,800	30,884.37	20,000	220,602.57	400,000	4,412,051.28	3,500,000	38,605,448.70
3,200	35,296.40	30,000	330,903.85	500,000	5,515,064.10	4,000,000	44,120,512.80
3,600	39,708.46	40,000	441,205.13	600,000	6,618,076.92	4,500,000	49,635,576.90
4,000	44,120.52	50,000	551,506.41	700,000	7,721,089.75	5,000,000	55,150,641.00
6,000	66,180.77	60,000	661,807.69	800,000	8,824,102.55	5,490,400(1)	60,559,815.87

(1) Maximum number of Hong Kong Offer Shares you may apply for.

(2) The amount payable is inclusive of brokerage, SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy. If your application is successful, brokerage will be paid to the Exchange Participants (as defined in the Listing Rules) and the SFC transaction levy, the Stock Exchange trading fee and AFRC transaction levy are paid to the Stock Exchange (in the case of the SFC transaction levy and in the case of the AFRC transaction levy, collected by the Stock Exchange on behalf of the SFC and the AFRC respectively).

5. Multiple Applications Prohibited

You or your joint applicant(s) shall not make more than one application for your own benefit, except where you are a nominee and provide the information of the underlying investor in your application as required under "— A. Application for Hong Kong Offer Shares — 3. Information Required to Apply." If you are suspected of submitting or cause to submit more than one application, all of your applications will be rejected.

Multiple applications made either through (i) the **White Form eIPO** service, (ii) **HKSCC EIPO** channel, or (iii) both channels concurrently are prohibited and will be rejected. If you have made an application through the **White Form eIPO** service or **HKSCC EIPO** channel, you or the person(s) for whose benefit you have made the application shall not apply for any Offer Shares.

6. Terms and Conditions of an Application

By applying for Hong Kong Offer Shares through the **White Form eIPO** service or **HKSCC EIPO** channel, you (or as the case may be, HKSCC Nominees will do the following things on your behalf):

(i) undertake to execute all relevant documents and instruct and authorize us and/or the, as our agents, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association, and (if you are applying through the **HKSCC EIPO** channel) to deposit the allotted Hong Kong Offer Shares directly into CCASS for the credit of your designated HKSCC Participant's stock account on your behalf;

(ii) confirm that you have read and understand the terms and conditions and application procedures set out in this prospectus and the designated website of the **White Form eIPO** service (or as the case may be, the agreement you entered into with your broker or custodian), and agree to be bound by them;

(iii) (if you are applying through the **HKSCC EIPO** channel) agree to the arrangements, undertakings and warranties under the participant agreement between your broker or custodian and HKSCC and observe the General Rules of HKSCC and the HKSCC Operational Procedures for giving application instructions to apply for Hong Kong Offer Shares;

(iv) confirm that you are aware of the restrictions on offers and sales of shares set out in this prospectus and they do not apply to you, or the person(s) for whose benefit you have made the application;

(v) confirm that you have read this prospectus and any supplement to it and have relied only on the information and representations contained therein in making your application (or as the case may be, causing your application to be made) and will not rely on any other information or representations;

(vi) agree that the Sole Sponsor, the Sole Representative, the Sole Sponsor-Overall Coordinator, the Overall Coordinators, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Capital Market Intermediaries, the Underwriters, any of their or the Company's respective directors, officers, employees, partners, agents, advisors and any other parties involved in the Global Offering (the "**Relevant Persons**"), the Hong Kong Share Registrar and HKSCC will not be liable for any information and representations not in this prospectus and any supplement to it;

(vii) agree to disclose the details of your application and your personal data and any other personal data which may be required about you and the person(s) for whose benefit you have made the application to us, the Relevant Persons, the Hong Kong Share Registrar, HKSCC, HKSCC Nominees, the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, for the purposes under "— G. Personal Data — 3. Purposes" and "— G. Personal Data — 4. Transfer of personal data;"

(viii) agree (without prejudice to any other rights which you may have once your application (or as the case may be, HKSCC Nominees' application) has been accepted) that you will not rescind it because of an innocent misrepresentation;

(ix) agree that subject to section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any application made by you or HKSCC Nominees on your behalf cannot be revoked once it is accepted, which will be evidenced by the notification of the result of the ballot by the Hong Kong Share Registrar by way of publication of the results at the time and in the manner as specified in "— B. Publication of Results;"

(x) confirm that you are aware of the situations specified in "— C. Circumstances In Which You Will Not Be Allocated Hong Kong Offer Shares;"

(xi) agree that your application or HKSCC Nominees' application, any acceptance of it and the resulting contract will be governed by and construed in accordance with the laws of Hong Kong;

(xii) agree to comply with the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Articles of Association and laws of any place outside Hong Kong that apply to your application and that neither we nor the Relevant Persons will breach any law inside and/or outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus;

(xiii) confirm that (a) your application or HKSCC Nominees' application on your behalf is not financed directly or indirectly by our Company, any of the directors, chief executives, substantial Shareholders or existing shareholders of the Company or any of its subsidiaries or any of their respective close associates; and (b) you are not accustomed or will not be accustomed to taking instructions from the Company, any of the directors, chief executives, substantial shareholders or existing shareholders of the Company or any of its subsidiaries or any of their respective close associates in relation to the acquisition, disposal, voting or other disposition of the Shares registered in your name or otherwise held by you;

(xiv) warrant that the information you have provided is true and accurate;

(xv) confirm that you understand that the Sole Representative and us will rely on your declarations and representations in deciding whether or not to allocate any Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvi) agree to accept Hong Kong Offer Shares applied for or any lesser number allocated to you under the application;

(xvii) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xviii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit by giving **electronic application instructions** to HKSCC directly or indirectly or through the **White Form eIPO** service or by any one as your agent or by any other person; and

(xix) (if you are making the application as an agent for the benefit of another person) warrant that (1) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person by giving **electronic application instructions** to HKSCC and (2) you have due authority to give **electronic application instructions** on behalf of that other person as its agent.

B. PUBLICATION OF RESULTS

Results of Allocation

You can check whether you are successfully allocated any Hong Kong Offer Shares through:

Platform		Date/Time
Applying through **White Form eIPO** service or **HKSCC EIPO** channel:		
Website	The designated results of allocation at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**) with a "search by ID" function.	24 hours, from 11:00 p.m. on Wednesday, August 27, 2025 to 12:00 midnight on Tuesday, September 2, 2025 (HKT)
	The full list of (i) wholly or partially successful applicants using the **White Form eIPO** service and **HKSCC EIPO** channel, and (ii) the number of Hong Kong Offer Shares conditionally allotted to them, among other things, will be displayed on the "Allotment Results" page of the **White Form eIPO** service at **www.iporesults.com.hk** (alternatively: **www.eipo.com.hk/eIPOAllotment**).	
	The Stock Exchange's website at **www.hkexnews.hk** and our website at **www.jiaxinir.com** which will provide links to the above mentioned websites of the Hong Kong Share Registrar.	No later than 11:00 p.m. on Wednesday, August 27, 2025 (HKT)
Telephone	+852 2862 8555 — the allocation results telephone enquiry line provided by the Hong Kong Share Registrar	between 9:00 a.m. and 6:00 p.m., from Thursday, August 28, 2025 to Tuesday, September 2, 2025 (HKT on business day)

For those applying through **HKSCC EIPO** channel, you may also check with your broker or custodian from 6:00 p.m. on Tuesday, August 26, 2025 (HKT).

HKSCC Participants can log into FINI and review the allotment result from 6:00 p.m. on Tuesday, August 26, 2025 (HKT) on a 24-hour basis and should report any discrepancies on allotments to HKSCC as soon as practicable.

Allocation Announcement

We expect to announce the level of indications of interest in the International Offering, the level of applications in the Hong Kong Public Offering and the basis of allocations of Hong Kong Offer Shares on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.jiaxinir.com** by 11:00 p.m. on Wednesday, August 27, 2025 (HKT).

C. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOCATED HONG KONG OFFER SHARES

You should note the following situations in which Hong Kong Offer Shares will not be allocated to you or the person(s) for whose benefit you are applying for:

1. If your application is revoked:

Your application or the application made by HKSCC Nominees on your behalf may be revoked pursuant to section 44A(6) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

2. If we or our agents exercise our discretion to reject your application:

We, the Sole Representative, the Hong Kong Share Registrar and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

3. If the allocation of Hong Kong Offer Shares is void:

The allocation of Hong Kong Offer Shares will be void if the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Stock Exchange notifies us of that longer period within three weeks of the closing date of the application lists.

4. If:

- you make multiple applications or suspected multiple applications. You may refer to "— A. Application for Hong Kong Offer Shares — 5. Multiple Applications Prohibited" on what constitutes multiple applications;
- your application instruction is incomplete;
- your payment (or confirmation of funds, as the case may be) is not made correctly;
- the Underwriting Agreements do not become unconditional or are terminated;
- we and the Sole Representative believe that by accepting your application, it or we would violate applicable securities or other laws, rules or regulations.

5. If there is money settlement failure for allotted Shares:

Based on the arrangements between HKSCC Participants and HKSCC, HKSCC Participants will be required to hold sufficient application funds on deposit with their Designated Bank before balloting. After balloting of Hong Kong Offer Shares, the receiving bank will collect the portion of these funds required to settle each HKSCC Participant's actual Hong Kong Offer Shares allotment from their Designated Bank.

There is a risk of money settlement failure. In the extreme event of money settlement failure by a HKSCC Participant (or its Designated Bank), who is acting on your behalf in settling payment for your allotted shares, HKSCC will contact the defaulting HKSCC Participant and its Designated Bank to determine the cause of failure and request such defaulting HKSCC Participant to rectify or procure to rectify the failure.

However, if it is determined that such settlement obligation cannot be met, the affected Hong Kong Offer Shares will be reallocated to the International Offering. Hong Kong Offer Shares applied for by you through the broker or custodian may be affected to the extent of the settlement failure. In the extreme case, you will not be allocated any Hong Kong Offer Shares due to the money settlement failure by such HKSCC Participant. None of us, the Relevant Persons, the Hong Kong Share Registrar and HKSCC is or will be liable if Hong Kong Offer Shares are not allocated to you due to the money settlement failure.

D. DESPATCH/COLLECTION OF SHARE CERTIFICATES AND REFUND OF APPLICATION MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made through the **HKSCC EIPO** channel where the Share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application.

Share certificates will only become valid evidence of title at 8:00 a.m. on Thursday, August 28, 2025 (HKT), provided that the Global Offering has become unconditional and the right of termination described in "Underwriting" has not been exercised. Investors who trade Shares prior to the receipt of share certificates or the share certificates becoming valid evidence of title do so entirely at their own risk.

The right is reserved to retain any share certificate(s) and (if applicable) any surplus application monies pending clearance of application monies.

The following sets out the relevant procedures and time:

	White Form eIPO service	**HKSCC EIPO channel**
Despatch/collection of share certificate		
For physical share certificates of equal or over 1,000,000 Offer Shares issued under your own name.	Collection in person at the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. **Time**: from 9:00 a.m. to 1:00 p.m. on Thursday, August 28, 2025 (HKT). If you are an individual, you must not authorize any other person to collect for you. If you are a corporate applicant, your authorized representative must bear a letter of authorization from your corporation stamped with your corporation's chop.	Share certificate(s) will be issued in the name of HKSCC Nominees, deposited into CCASS and credited to your designated HKSCC Participant's stock account. No action by you is required.

	White Form eIPO service	HKSCC EIPO channel
	Both individuals and authorized representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar. **Note:** If you do not collect your Share certificate(s) personally within the time above, it/they will be sent to the address specified in your application instructions by ordinary post at your own risk.	
For physical share certificates of less than 1,000,000 Offer Shares issued under your own name	Your share certificate(s) will be sent to the address specified in your application instructions by ordinary post at your own risk. **Time**: Wednesday, August 27, 2025 HKT	
Refund mechanism for surplus application monies paid by you		
Date	Thursday, August 28, 2025 HKT	Subject to the arrangement between you and your broker or custodian
Responsible party	Hong Kong Share Registrar	Your broker or custodian
Application monies paid through single bank account	White Form e-Refund payment instructions to your designated bank account.	Your broker or custodian will arrange refund to your designated bank account subject to the arrangement between you and it.
Application monies paid through multiple bank accounts	Refund check(s) will be despatched to the address as specified in your application instructions by ordinary post at your own risk.	

E. SEVERE WEATHER ARRANGEMENTS

Opening and Closing of the Application Lists

The application lists will not open or close on Monday, August 25, 2025 HKT if, there is/are:

- a tropical cyclone warning signal number 8 or above;
- a black rainstorm warning; and/or
- an "extreme conditions" announcement issued after a super typhoon ("**Extreme Conditions**"),

  (collectively, "**Severe Weather Signals**"),

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Monday, August 25, 2025 HKT.

Instead they will open between 11:45 a.m. HKT and 12:00 noon HKT and/or close at 12:00 noon HKT on the next business day which does not have Severe Weather Signals in force at any time between 9:00 a.m. HKT and 12:00 noon HKT.

Prospective investors should be aware that a postponement of the opening/closing of the application lists may result in a delay in the Listing Date. Should there be any changes to the dates mentioned in "Expected Timetable", an announcement will be made and published on the Stock Exchange's website at **www.hkexnews.hk** and our website at **www.jiaxinir.com** of the revised timetable.

Despatch and Collection of Share Certificates

If a Severe Weather Signal is hoisted on Wednesday, August 27, 2025 HKT, the Hong Kong Share Registrar will make appropriate arrangements for the delivery of the share certificates to the CCASS Depository's service counter so that they would be available for trading on Thursday, August 28, 2025 HKT, and for physical share certificates of less than 1,000,000 Offer Shares issued under your own name, despatch will be made by ordinary post when the post office re-opens after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Wednesday, August 27, 2025 HKT or on Thursday, August 28, 2025 HKT.

If a Severe Weather Signal is hoisted on Thursday, August 28, 2025 HKT, for physical share certificates of 1,000,000 or more Offer Shares issued under your own name, you collect your share certificates up from the Hong Kong Share Registrar's office after the Severe Weather Signal is lowered or canceled (e.g. in the afternoon of Thursday, August 28, 2025 HKT or on Friday, August 29, 2025 HKT.

Prospective investors should be aware that if they choose to receive physical share certificates issued in their own name, there may be a delay in receiving the share certificates.

F. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares on the Stock Exchange and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants is required to take place in CCASS on the second settlement day after any trading day.

All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

You should seek the advice of your broker or other professional advisor for details of the settlement arrangement as such arrangements may affect your rights and interests.

G. PERSONAL DATA

The following Personal Information Collection Statement applies to any personal data collected and held by the Company, the Hong Kong Share Registrar, the receiving bank and the Relevant Persons about you in the same way as it applies to personal data about applicants other than HKSCC Nominees. This personal data may include client identifier(s) and your identification information. By giving application instructions to HKSCC, you acknowledge that you have read, understood and agree to all of the terms of the Personal Information Collection Statement below.

1. Personal Information Collection Statement

This Personal Information Collection Statement informs the applicant for, and holder of, Hong Kong Offer Shares, of the policies and practices of the Company and the Hong Kong Share Registrar in relation to personal data and the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

2. Reasons for the collection of your personal data

It is necessary for applicants and registered holders of Hong Kong Offer Shares to ensure that personal data supplied to the Company or its agents and the Hong Kong Share Registrar is accurate and up-to-date when applying for Hong Kong Offer Shares or transferring Hong Kong Offer Shares into or out of their names or in procuring the services of the Hong Kong Share Registrar.

Failure to supply the requested data or supplying inaccurate data may result in your application for Hong Kong Offer Shares being rejected, or in the delay or the inability of the Company or the Hong Kong Share Registrar to effect transfers or otherwise render their services. It may also prevent or delay registration or transfers of Hong Kong Offer Shares which you have successfully applied for and/or the despatch of Share certificate(s) to which you are entitled.

It is important that applicants for and holders of Hong Kong Offer Shares inform the Company and the Hong Kong Share Registrar immediately of any inaccuracies in the personal data supplied.

3. Purposes

Your personal data may be used, held, processed, and/or stored (by whatever means) for the following purposes:

- processing your application and refund cheque and **White Form** e-Refund payment instruction(s), where applicable, verification of compliance with the terms and application procedures set out in this prospectus and announcing results of allocation of Hong Kong Offer Shares;
- compliance with applicable laws and regulations in Hong Kong and elsewhere;
- registering new issues or transfers into or out of the names of the holders of the Shares including, where applicable, HKSCC Nominees;
- maintaining or updating the register of members of the Company;
- verifying identities of applicants for and holders of the Shares and identifying any duplicate applications for the Shares;
- facilitating Hong Kong Offer Shares balloting;
- establishing benefit entitlements of holders of the Shares, such as dividends, rights issues, bonus issues, etc.;
- distributing communications from the Company and its subsidiaries;
- compiling statistical information and profiles of the holder of the Shares;
- disclosing relevant information to facilitate claims on entitlements; and

- any other incidental or associated purposes relating to the above and/or to enable the Company and the Hong Kong Share Registrar to discharge their obligations to applicants and holders of the Shares and/or regulators and/or any other purposes to which applicants and holders of the Shares may from time to time agree.

4. Transfer of personal data

Personal data held by the Company and the Hong Kong Share Registrar relating to the applicants for and holders of Hong Kong Offer Shares will be kept confidential but the Company and the Hong Kong Share Registrar may, to the extent necessary for achieving any of the above purposes, disclose, obtain or transfer (whether within or outside Hong Kong) the personal data to, from or with any of the following:

- the Company's appointed agents such as financial advisors, receiving bank and overseas principal share registrar;

- HKSCC or HKSCC Nominees, who will use the personal data and may transfer the personal data to the Hong Kong Share Registrar for the purposes of providing its services or facilities or performing its functions in accordance with its rules or procedures and operating FINI and CCASS (including where applicants for the Hong Kong Offer Shares request a deposit into CCASS);

- any agents, contractors or third-party service providers who offer administrative, telecommunications, computer, payment or other services to the Company or the Hong Kong Share Registrar in connection with their respective business operation;

- the Stock Exchange, the SFC and any other statutory regulatory or governmental bodies or otherwise as required by laws, rules or regulations, including for the purpose of the Stock Exchange's administration of the Listing Rules and the SFC's performance of its statutory functions; and

- any persons or institutions with which the holders of Hong Kong Offer Shares have or propose to have dealings, such as their bankers, solicitors, accountants or brokers etc.

5. Retention of personal data

The Company and the Hong Kong Share Registrar will keep the personal data of the applicants and holders of Hong Kong Offer Shares for as long as necessary to fulfill the purposes for which the personal data were collected. Personal data which is no longer required will be destroyed or dealt with in accordance with the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong).

6. Access to and correction of personal data

Applicants for and holders of Hong Kong Offer Shares have the right to ascertain whether the Company or the Hong Kong Share Registrar hold their personal data, to obtain a copy of that data, and to correct any data that is inaccurate. The Company and the Hong Kong Share Registrar have the right to charge a reasonable fee for the processing of such requests. All requests for access to data or correction of data should be addressed to the Company and the Hong Kong Share Registrar, at their registered address disclosed in "Corporate Information" or as notified from time to time, for the attention of the company secretary, or the Hong Kong Share Registrar for the attention of the privacy compliance officer.

LISTINGS, REGISTRATION, DEALINGS AND SETTLEMENT

Listing

Application has been made to the Stock Exchange for the Listing, including the permission to deal in our Shares in issue and to be issued as mentioned in this prospectus (including Shares to be issued under the AIX Offering and any additional Shares which may be issued upon the exercise of the Over-allotment Option) on the Main Board.

The Company will also have a listing of Shares on the AIX and will constitute a dual primary listing on the Stock Exchange and the AIX. As part of the Global Offering, our Company is offering 1,317,600 Shares through the AIX Offering, representing approximately 1.2% of new Shares to be offered under the Global Offering (subject to reallocation and assuming the Over-allotment Option is not exercised). In connection with the AIX Offering, application has been made to the AIX to: (i) admit the Shares to the Official List of the AIX; and (ii) admit the Shares to trading on the AIX. The Shares are offered in the AIX Offering at the AIX Offer Price.

Registration

The Shares listed on the Stock Exchange will be registered on our Company's principal register of members in Hong Kong to be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited. The Shares listed on the AIX will be registered on our Company's branch register of members in Kazakhstan to be maintained by the AIX Registrar, whose address is 55/19, Mangilik El St., Astana, Kazakhstan. Further, our Company will enter into an agreement with the AIX such that the Shares on the AIX will be listed through the facilities of the AIX in accordance with the AIX Business Rules and relevant AIX Market Notice. Clearing and Settlement of transactions in Shares on the AIX will be made through the facilities of the AIX CSD. The AIX CSD will clear the transactions with the Shares on the AIX. The address of the AIX CSD is 55/19 Mangilik El st., block C 3.4, Astana, Kazakhstan.

Dealings

Dealings in our Shares on the Stock Exchange, and the Shares on the AIX will be conducted in Hong Kong dollars and RMB respectively. Our Shares will be traded on the Stock Exchange in board lots of 400 Shares. The transaction costs of dealings in our Shares on the Stock Exchange include:

- Stock Exchange trading fee of 0.00565% of the consideration of the transaction, charged to each of the buyer and seller;

- SFC transaction levy of 0.0027% of the consideration of the transaction, charged to each of the buyer and seller;

- AFRC Transaction Levy of 0.00015% (rounded to the nearest cent), charged to each of the buyer and seller;
- transfer deed stamp duty of HK$5.00 per transfer deed (if applicable), payable by the seller;
- *ad valorem* stamp duty at a total rate of 0.2% of the value of the transaction, with 0.1% payable by each of the buyer and the seller;
- stock settlement fee, which is currently 0.002% of the gross transaction value, subject to a minimum fee of HK$2.00 and a maximum fee of HK$100.00 per side per trade.

The brokerage commission in respect of trades of the Shares on the AIX is payable as per AIX Trading Member's fees. A clearing fee for trades concluded through AIX Trading Members on the AIX is payable in accordance with the AIX fee schedule published on the AIX website.

SETTLEMENT

Settlement of dealings in Hong Kong

Investors in Hong Kong must settle their trades executed on the Stock Exchange through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his Shares in his stock account or in his designated HKSCC Participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the HKSCC Rules. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his broker or custodian before the settlement date. An investor may arrange with his broker or custodian on a settlement date in respect of his trades executed on the Stock Exchange. Under the Listing Rules and the General Rules of HKSCC, the date of settlement must not be later than the second settlement day following the trade date on which the settlement services of CCASS are open for use by CCASS Participants (T+2). For trades settled under CCASS, the General Rules of HKSCC provide that a defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards. The CCASS stock settlement fee payable by each counterparty to the Stock Exchange trade is currently 0.002 per cent. of the gross transaction value subject to a minimum fee of HK$2 and a maximum fee of HK$100 per trade.

Dealings in Shares on the Stock Exchange will be carried out in Hong Kong dollars.

Settlement of dealings in Kazakhstan

Trades in respect of the Shares on the AIX will be settled directly at the AIX CSD in accordance with the AIX CSD Rules and the relevant AIX Market Notice. Payment and settlement will be made through the facilities of the AIX CSD in accordance with the AIX CSD Rules, in particular delivery of the Shares will be executed through the AIX CSD system and payment for the Shares will be made through the AIX CSD Settlement Bank. The settlement period in relation to the Shares traded under the AIX CSD Rules is T+2. In order to take delivery of the Shares on the AIX, holders are required to have an account with a broker which has a valid and active trading membership agreement with the AIX and an agreement with the AIX CSD. The Shares will be held on behalf of investors in the relevant AIX Trading Member's nominee or custodial account at the AIX CSD.

Transactions in our Shares on the AIX under the book-entry settlement system will be reflected by the seller's securities account being debited with the number of Shares sold and the buyer's securities account being credited with the number of Shares acquired. No transfer stamp duty is currently payable for transfer of Shares that are settled on a book-entry basis.

Dealings in Shares will be carried out in RMB and will be effected for settlement in AIX CSD on a scripless basis.

Dividends

Dividends are declared in Hong Kong dollars. Holders of Shares listed on the AIX will receive their dividend payments in RMB, the exchange rate for the dividend calculation in RMB is based on the average benchmark exchange rate between RMB and Hong Kong dollars as published by the People's Bank of China one week prior to the date of the annual general meeting on which the dividends are declared.

Foreign Exchange Risk

Investors in Hong Kong who trade in our Shares on the Hong Kong Stock Exchange should note that their trades will be effected in Hong Kong dollars. Accordingly, investors should be aware of the foreign exchange risks associated with such trading.

TRANSFER OF SHARES FROM STOCK EXCHANGE TO THE AIX AND VICE VERSA

Transferring Shares Trading on the Stock Exchange to the AIX

A securities holder who holds the securities trading on the Stock Exchange and who intends to trade the securities on AIX must effectuate removal of the securities from the Hong Kong Share Register and deposit the securities to the Company's branch register of members maintained by AIX Registrar (the "**Branch Register (Securities Registry)**". Such removal and deposit of the securities would involve the following procedures:

(1) If the securities holder's securities are registered in the securities holder's own name in the Hong Kong Share Register, the securities holder shall complete the combined securities removal and transfer and delivery instructions form (the "**HK Removal Request Form**" provided by Hong Kong Share Registrar (or as amended from time to time) and submit the same together with his share certificate(s) in his name and the bank drafts (or cheque) for the fees in the amount as prescribed by the fees schedule of the Hong Kong Share Registrar from time to time to the Hong Kong Share Registrar.

If the securities holder's securities have been deposited with CCASS, the securities holder must first withdraw such securities from his CCASS investor participant stock account with CCASS or from the stock account of his designated CCASS participant and submit the relevant instrument of transfer(s) executed by HKSCC Nominees and the securities holder, the relevant share certificate(s) and a duly completed HK Removal Request Form available from the Hong Kong Share Registrar, together with the bank drafts for the fees in the amount as prescribed by the fees schedule of the Hong Kong Share Registrar from time to time to the Hong Kong Share Registrar.

(2) If the securities holder would like to have the securities credited from the Hong Kong Share Register into his securities account or sub-account with a AIX CSD Participant (as it is defined in AIX CSD Business Rules), it must indicate it on the HK Removal Request Form (as contemplated in paragraph (1) above). The securities holder should ensure that he has a securities account or sub-account with AIX CSD Participant before he can complete and sign off on delivery instruction set out in the HK Removal Request Form.

(3) Upon receipt of the HK Removal Request Form, the relevant share certificate(s), the bank drafts for the fees in the amount as prescribed by the Hong Kong Share Registrar, if applicable and where appropriate, the completed instrument of transfer(s) executed by HKSCC Nominees and the securities holder, the Hong Kong Share Registrar will take all actions necessary to effect the transfer and removal of the securities holder's securities from the Hong Kong Share Register to Branch Register (Securities Registry).

(4) Hong Kong Share Registrar will notify AIX Registrar of the removal whereupon the AIX Registrar will then update the AIX Register. Upon completion, the AIX Registrar will issue the relevant Share certificate(s) in the name of the investor or the AIX CSD, where the case may be, and deliver the Share certificate(s) to the investor or the AIX CSD.

(5) Upon receipt of the relevant documents and prescribed payment from the AIX Registrar, AIX CSD shall credit the specified number of Shares into the investor's securities account or sub-account with a AIX depositary agent. The investor should ensure that the shares are credited to his securities account or sub-account with a AIX depository agent before dealing in Shares.

Under normal circumstances, steps contemplated in paragraphs (1) to (4) above generally require 13 Business Days to complete.

Transferring Shares Trading on the AIX to the Stock Exchange

A securities holder who holds the securities trading on the AIX and who intends to trade the Securities on the Stock Exchange must effectuate removal of the securities from the Branch Register (Securities Registry) maintained by AIX Registrar and reposition the shares to Hong Kong Share Register and deposit the shares into CCASS. Such removal and deposit of the securities would involve the following procedures:

(1) If the securities holder's securities have been deposited with AIX CSD, the securities holder must first withdraw securities from AIX CSD by submitting via AIX CSD Participant to AIX CSD (i) a Withdrawal of Securities Form available from AIX CSD; (ii) an instrument transfer; and (iii) a bank draft for the amount as prescribed by AIX CSD from time to time.

(2) The securities holder must complete and submit a securities removal and transfer and delivery form (the "**AIX Removal Request Form**" provided by AIX Registrar), together with the bank drafts for the fees in the amount as prescribed by AIX Registrar Fees Schedule from time to time to AIX Registrar.

(3) AIX CSD will then send the duly completed instrument of transfer from AIX CSD together with the relevant share certificate(s) registered under the name of AIX CSD to the AIX Share Registrar directly.

(4) Upon receipt of the duly completed instrument of transfer from AIX CSD and the AIX Removal Request Form together with the bank drafts for the fees in the amount as prescribed by AIX Registrar Fees Schedule from time to time, AIX Registrar will remove securities from the Branch Register (Securities Registry) and inform the Hong Kong Share Registrar to enter such securities into the Hong Kong Share Register.

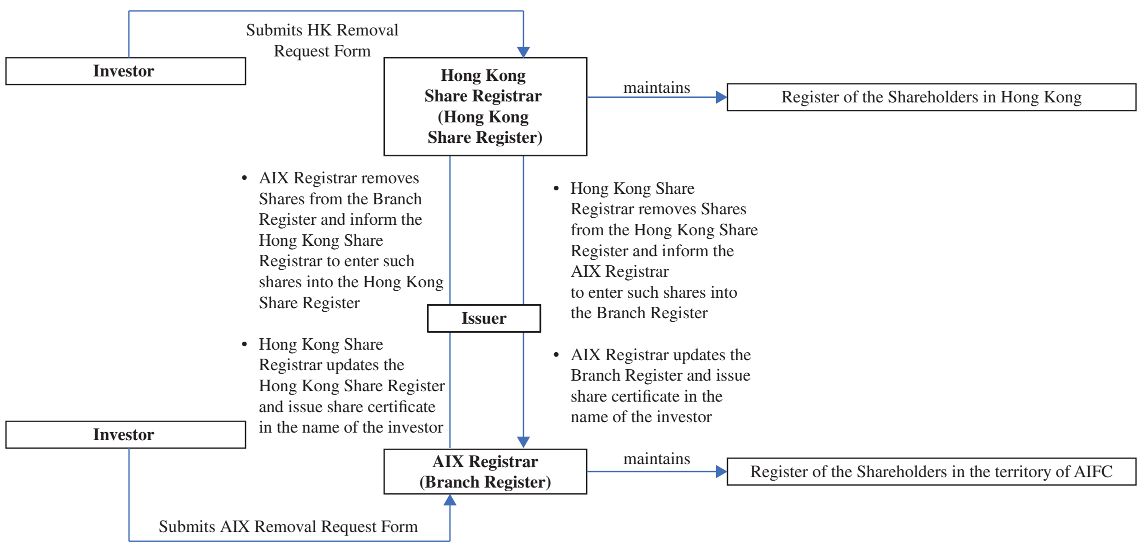
(5) Upon receipt of the notification and documents referred to in paragraph (3) above and where appropriate the relevant payments, AIX Registrar shall effect the transfer and removal of securities from the Branch Register (Securities Registry) and the Hong Kong Share Registrar will update the Hong Kong Share Register and issue share certificate(s) in the name of the securities holder and will charge the HK repositioning fees when the shareholder/HK agent comes to collect the certificate(s), with payment made by bank draft in Hong Kong dollars made payable to Computershare Hong Kong Investor Services Limited. If the Hong Kong certificate(s) needs to be sent by post, Hong Kong Share Registrar will collect the fees from the registered shareholder prior to sending the certificate.

(6) If the securities holder's securities upon being registered in Hong Kong are to be deposited with CCASS, the securities holder must deposit securities into CCASS for crediting to the relevant CCASS investor participant stock account or the relevant designated CCASS Participant's stock account. In order to deposit securities into CCASS, the securities holder should execute an instrument of transfer that is in use in Hong Kong and can be obtained from the office of the Hong Kong Share Registrar and deliver it together with the share certificate(s) issued by the Hong Kong Share Registrar to HKSCC directly if securities are to be deposited into CCASS for crediting to CCASS investor participant stock account or via a CCASS participant if securities are to be credited to a designated CCASS Participant's stock account.

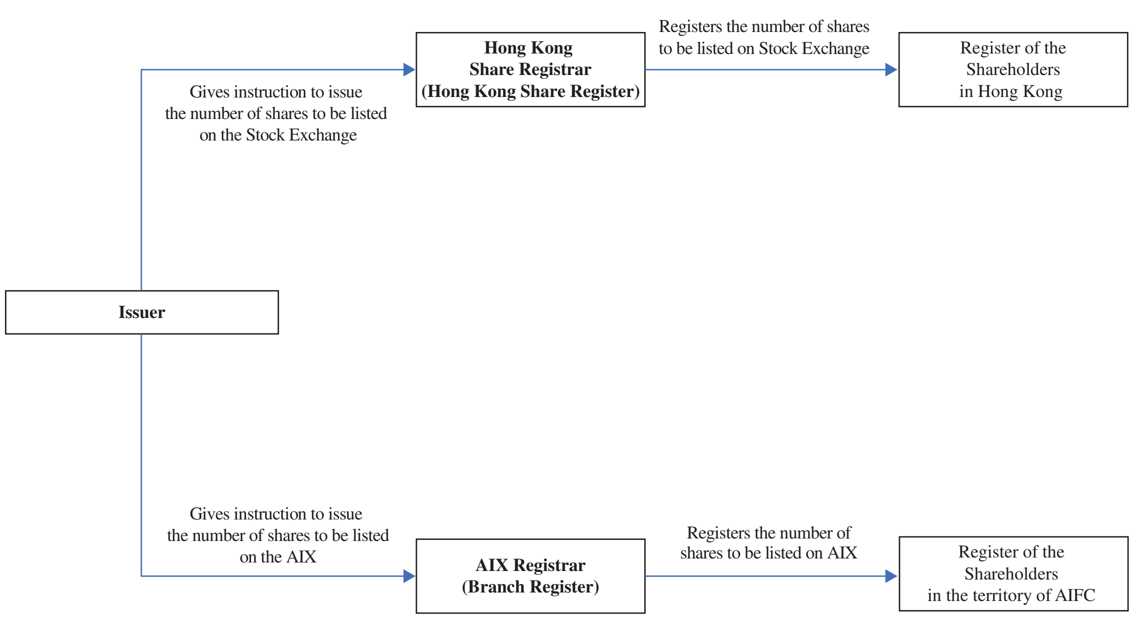
Under normal circumstances, steps (1) to (5) generally require 8 business days to complete, unless otherwise provided in AIX Registrar Rules, AIX CSD Business Rules, and related procedures and agreements.

The following diagrams illustrate (i) the procedure for transfer of Shares from the Stock Exchange or the AIX and (ii) the registration of Shares on the Stock Exchange and the AIX.

(i) Procedure of Transfer of Shares from the Stock Exchange or the AIX



(ii) Registration of Shares on the Stock Exchange and the AIX



Stamp Duty

Any transfer or dealings of Shares that are registered on the Hong Kong Share Register will be subject to Hong Kong stamp duty, which currently includes a stamp duty of HK$5.00 per transfer instrument and ad valorem stamp duty on both the buyer and seller charged at the rate of 0.1 percent each of the consideration or, if higher, the fair value of the Shares transferred.

Transfer or dealings of Shares on the AIX will not be subject to Kazakhstan stamp duty.

Cost of removal and transfer of Shares

Shareholders should note that the Hong Kong Share Registrar will charge HK$2,000 for each removal of Shares from/to Hong Kong Share Register and a fee of HK$20 (or such higher fee as may from time to time be permitted under the Listing Rules) for each Share certificate canceled or issued by it and any applicable fee as stated in the removal request forms used in Hong Kong or the AIX.

In addition, the AIX Registrar will charge USD15 per instruction for transfer of instruments from the AIX Registrar to the account of the AIX CSD. The fee will be charged from each participant taking part in the respective settlement transaction per settled instruction.

As agreed between the Company and the AIX Registrar, there will be annual fee with discount charged on the Company which includes all services provided by the AIX Registrar. Subject to any future amendments of the fee arrangements and save for the transfer from the AIX Registrar to the account of AIX CSD, no fee will be incurred for any instruction for removal or transfer of Shares from the AIX Registrar.

Hypothetical scenario where the Shares listed on the AIX are transferred to the Stock Exchange

According to AIX Admissions and Disclosure Standards for Issuers (the "**ADS**"), for equity securities to be admitted to the trading on AIX, as part of the liquidity requirement, sufficient supply and demand must exist to facilitate the reliable price formation (ADS 4.1). To meet this requirement, an issuer must satisfy the AIX that (a) it will have a sufficient minimum number of bona fide equity securities holders, each holding equity securities of the issuer with a value of at least USD2,000, or (b) sufficient price formation will likely be maintained including, if appropriate, through the appointment of one or more market makers, in agreement between AIX, market maker and the issuer (ADS 4.1.2(1)). At the same time, according to ADS 5.1.3, an issuer may not need to maintain a minimum number of shareholders required by ADS post admission to trading on the AIX so long as there is an orderly and liquid market in the issuer's securities as determined by the AIX. In considering this rule, the AIX would generally consider the number of security holders of the issuer, the number of outstanding securities and the liquidity of the securities. The AIX may require the issuer to appoint one or more market makers if the liquidity condition materially deviates from the above requirement (ADS 5.1.5).

Such market maker commits to post price spreads within a maximum limit and minimum volume limits as determined by AIX (ADS 4.1.5). There is no pre-set specific trading volume requirements for equity securities in the AIX regulations. The AIX has specific requirements only for market maker who has an obligation to provide bid and offer quotes continuously during the market making period (Trading Rules of AIX ("**TRD**") 14.3). These requirements are determined individually for each equity security.

In the hypothetical situation that all Shares listed on the AIX are transferred to the Stock Exchange for trading, for the purposes of determining the free float (i.e. public float under the Listing Rules), the AIX will take into account the total liquidity on the two exchanges (ADS 4.1.4(G)), and this will not result in a delisting from the AIX. Even if the Shares are delisted from the AIX, such delisting will not terminate the Listing Exemption for trading of Shares on the Stock Exchange. The Shares would still be considered as "included on Official List of AIX" in the event that all of them are transferred from the AIX to the Stock Exchange.

Subscription of Shares on the Stock Exchange and the AIX

It is permissible for investors (whether in and outside of Kazakhstan) to subscribe for both Shares to be listed on the Stock Exchange and the AIX. Whether investor could subscribe on both the Stock Exchange and the AIX would depend on the infrastructure being available for the investors to subscribe for Shares on both exchanges. For instance, to subscribe for Shares listed on the AIX, investors in Kazakhstan shall enter into an agreement for brokerage services with broker(s) in Kazakhstan. To subscribe for Shares listed on the Stock Exchange, investors in Kazakhstan shall enter into an agreement for brokerage services with broker(s) in Kazakhstan who has access to the Stock Exchange or shall enter into an agreement for brokerage services with broker(s) in Hong Kong.

The following is the text of a report set out on pages I-1 to I-3, received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus. It is prepared and addressed to the directors of the Company and to the Sole Sponsor pursuant to the requirements of HKSIR 200, Accountants' Reports on Historical Financial Information in Investment Circulars as issued by the Hong Kong Institute of Certified Public Accountants.

pwc 羅兵咸永道

ACCOUNTANT'S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF JIAXIN INTERNATIONAL RESOURCES INVESTMENT LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Jiaxin International Resources Investment Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-56, which comprises the consolidated statements of financial position as at December 31, 2022, 2023 and 2024 and June 30, 2025, the company statements of financial position as at December 31, 2022, 2023 and 2024 and June 30, 2025, the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025 (the "Track Record Period") and material accounting policy information and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-56 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated August 20, 2025 (the "Prospectus") in connection with the initial listing of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation sets out in Note 2.1 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Reporting accountant's responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants' Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant's judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity's preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation sets out in Note 2.1 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant's report, a true and fair view of the financial position of the Company as at December 31, 2022, 2023 and 2024 and June 30, 2025 and the consolidated financial position of the Group as at December 31, 2022, 2023 and 2024 and June 30, 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statements of comprehensive loss, the consolidated statements of changes in equity and the consolidated statements of cash flows for the six months ended June 30, 2024 and other explanatory information (the "Stub Period Comparative Financial Information"). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant's report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2.1 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Historical Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 12 to the Historical Financial Information which states that no dividends have been paid or declared by the Company in respect of the Track Record Period.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, August 20, 2025

I. HISTORICAL FINANCIAL INFORMATION OF THE GROUP

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant's report.

The Historical Financial Information in this report was prepared by the directors of Jiaxin International Resources Investment Limited (the "Company") based on the previously issued consolidated financial statements for each of the years ended December 31, 2022, 2023 and 2024 ("Historical Financial Statements") and consolidated management accounts of the Group for the six months ended June 30, 2025. The previously issued consolidated financial statements were audited by PricewaterhouseCoopers in accordance with Hong Kong Standards on Auditing. The details of the statutory auditors of these companies are set out in Note 28 to the Historical Financial Information.

The Historical Financial Information is presented in HK dollars and all values are rounded to the nearest thousand (HK$'000) except when otherwise indicated.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

		Year ended December 31,			Six months ended June 30,	
	Note	**2022**	**2023**	**2024**	**2024**	**2025**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(unaudited)*	*HK$'000*
Revenue	5	–	–	–	–	126,313
Cost of sales	6	–	–	–	–	(108,332)
Gross profit		–	–	–	–	17,981
Administrative expenses	6	(41,061)	(67,854)	(75,940)	(33,241)	(60,499)
Other losses, net	7	(34,029)	(9,437)	(83,749)	(30,158)	(27,200)
Operating loss		(75,090)	(77,291)	(159,689)	(63,399)	(69,718)
Finance income	9	5,293	1,908	78	70	19
Finance costs	9	(24,653)	(4,746)	(16,918)	(1,640)	(19,856)
Finance costs, net	9	(19,360)	(2,838)	(16,840)	(1,570)	(19,837)
Loss before income tax		(94,450)	(80,129)	(176,529)	(64,969)	(89,555)
Income tax credit	10	–	–	–	–	82,566
Loss for the year/period		(94,450)	(80,129)	(176,529)	(64,969)	(6,989)
Other comprehensive income						
Items that may be reclassified to profit or loss						
Exchange differences on translation of foreign operations		4,179	(2,950)	17,076	5,715	(9,818)
Other comprehensive income/(loss) for the year/period		4,179	(2,950)	17,076	5,715	(9,818)
Total comprehensive loss for the year/period		(90,271)	(83,079)	(159,453)	(59,254)	(16,807)
Loss for the year/period attributable to:						
Equity holders of the Company		(93,661)	(78,920)	(172,970)	(63,617)	(5,996)
Non-controlling interests		(789)	(1,209)	(3,559)	(1,352)	(993)
		(94,450)	(80,129)	(176,529)	(64,969)	(6,989)
Total comprehensive loss for the year/period attributable to:						
Equity holders of the Company		(89,630)	(81,840)	(156,579)	(58,076)	(15,529)
Non-controlling interests		(641)	(1,239)	(2,874)	(1,178)	(1,278)
		(90,271)	(83,079)	(159,453)	(59,254)	(16,807)
Losses per share for loss attributable to equity holders of the Company (expressed in HK$ per share)						
Basic and diluted	11	(7,961)	(6,708)	(14,702)	(5,407)	(510)

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,			As at June 30,
		2022	2023	2024	2025
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Non-current assets					
Property, plant and equipment	*13*	267,441	1,001,693	1,494,752	1,685,167
Subsurface use rights	*14*	11,498	11,683	10,075	10,187
Prepayments and other assets	*17*	271,464	399,964	268,128	303,706
Deferred tax assets	*25*	–	–	–	81,901
Total non-current assets		550,403	1,413,340	1,772,955	2,080,961
Current assets					
Inventories	*15*	–	–	12,941	94,611
Trade receivables	*16*	–	–	–	47,087
Prepayments	*17*	4,628	9,973	36,844	36,538
Other receivables	*17*	1,400	1,454	668	6,839
Cash and cash equivalents	*18*	99,496	476,687	41,440	32,662
Total current assets		105,524	488,114	91,893	217,737
Total assets		655,927	1,901,454	1,864,848	2,298,698
EQUITY/(DEFICIT)					
Equity attributable to equity holders of the Company					
Share capital	*19*	267,254	465,653	465,653	465,653
Other reserves		5,333	2,413	18,804	9,271
Accumulated losses		(239,894)	(318,814)	(491,784)	(497,780)
		32,693	149,252	(7,327)	(22,856)
Non-controlling interests		(1,647)	(2,886)	(5,760)	(7,038)
Total equity/(deficit)		31,046	146,366	(13,087)	(29,894)
LIABILITIES					
Non-current liabilities					
Other payables	*20*	20,777	70,937	46,708	51,922
Borrowings	*21*	381,346	1,616,687	1,470,386	1,615,989
Total non-current liabilities		402,123	1,687,624	1,517,094	1,667,911
Current liabilities					
Trade payables	*22*	–	–	–	76,199
Other payables and accruals	*20*	37,377	31,950	86,464	70,322
Contract liabilities	*23*	–	–	31,783	165,414
Lease liabilities		112	–	–	–
Borrowings	*21*	–	3,246	184,643	279,094
Amounts due to shareholders	*31(b)*	185,269	32,268	57,951	69,652
Total current liabilities		222,758	67,464	360,841	660,681
Total liabilities		624,881	1,755,088	1,877,935	2,328,592
Total equity/(deficit) and liabilities		655,927	1,901,454	1,864,848	2,298,698
Net current (liabilities)/assets		(117,234)	420,650	(268,948)	(442,944)

COMPANY STATEMENTS OF FINANCIAL POSITION

	Note	As at December 31,			As at June 30,
		2022	2023	2024	2025
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Non-current assets					
Property, plant and equipment		8	16	12	10
Investments in subsidiaries	*28*	23,468	23,468	23,468	23,468
Amounts due from subsidiaries	*29*	539,928	1,677,146	1,962,692	2,215,361
Total non-current assets		563,404	1,700,630	1,986,172	2,238,839
Current assets					
Amounts due from subsidiaries	*29*	1,120	151,428	23	26
Prepayments	*17*	1,435	7,822	11,089	16,521
Other receivables	*17*	416	–	–	–
Cash and cash equivalents	*18*	91,615	10,574	2,258	9,049
Total current assets		94,586	169,824	13,370	25,596
Total assets		657,990	1,870,454	1,999,542	2,264,435
EQUITY					
Share capital	*19*	267,254	465,653	465,653	465,653
Accumulated losses	*30*	(186,505)	(257,691)	(201,773)	(191,883)
Total equity		80,749	207,962	263,880	273,770
LIABILITIES					
Non-current liabilities					
Borrowings	*21*	381,346	1,616,687	1,470,386	1,615,989
Current liabilities					
Other payables and accruals	*20*	10,626	10,291	22,682	25,930
Borrowings	*21*	–	3,246	184,643	279,094
Amounts due to shareholders	*31(b)*	185,269	32,268	57,951	69,652
Total current liabilities		195,895	45,805	265,276	374,676
Total liabilities		577,241	1,662,492	1,735,662	1,990,665
Total equity and liabilities		657,990	1,870,454	1,999,542	2,264,435
Net current (liabilities)/assets		(101,309)	124,019	(251,906)	(349,080)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity holders of the Company					
	Share capital	Currency translation differences	Accumulated losses	Total	Non-controlling interests	Total equity/ (deficit)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
As at January 1, 2022	267,254	1,302	(146,233)	122,323	(1,006)	121,317
Comprehensive loss						
Loss for the year	–	–	(93,661)	(93,661)	(789)	(94,450)
Other comprehensive income:						
– Currency translation differences	–	4,031	–	4,031	148	4,179
As at December 31, 2022	267,254	5,333	(239,894)	32,693	(1,647)	31,046
As at January 1, 2023	267,254	5,333	(239,894)	32,693	(1,647)	31,046
Comprehensive loss						
Loss for the year	–	–	(78,920)	(78,920)	(1,209)	(80,129)
Other comprehensive income:						
– Currency translation differences	–	(2,920)	–	(2,920)	(30)	(2,950)
Transactions with equity holders of the Company						
Capital contributions *(Note 19)*	198,399	–	–	198,399	–	198,399
As at December 31, 2023	465,653	2,413	(318,814)	149,252	(2,886)	146,366
As at January 1, 2024	465,653	2,413	(318,814)	149,252	(2,886)	146,366
Comprehensive loss						
Loss for the year	–	–	(172,970)	(172,970)	(3,559)	(176,529)
Other comprehensive income:						
– Currency translation differences	–	16,391	–	16,391	685	17,076
As at December 31, 2024	465,653	18,804	(491,784)	(7,327)	(5,760)	(13,087)
(Unaudited)						
As at January 1, 2024	465,653	2,413	(318,814)	149,252	(2,886)	146,366
Comprehensive loss						
Loss for the period	–	–	(63,617)	(63,617)	(1,352)	(64,969)
Other comprehensive income:						
– Currency translation differences	–	5,541	–	5,541	174	5,715
As at June 30, 2024	465,653	7,954	(382,431)	91,176	(4,064)	87,112
As at January 1, 2025	465,653	18,804	(491,784)	(7,327)	(5,760)	(13,087)
Comprehensive loss						
Loss for the period	–	–	(5,996)	(5,996)	(993)	(6,989)
Other comprehensive income:						
– Currency translation differences	–	(9,533)	–	(9,533)	(285)	(9,818)
As at June 30, 2025	465,653	9,271	(497,780)	(22,856)	(7,038)	(29,894)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Year ended December 31, 2022	Year ended December 31, 2023	Year ended December 31, 2024	Six months ended June 30, 2024	Six months ended June 30, 2025
		HK$'000	HK$'000	HK$'000	HK$'000 (Unaudited)	HK$'000
Cash flows from operating activities						
Cash (used in)/generated from operations	26(a)	(47,507)	(62,718)	(63,154)	(27,788)	15,554
Net cash (used in)/generated from operating activities		(47,507)	(62,718)	(63,154)	(27,788)	15,554
Cash flows from investing activities						
Payments for purchase of property, plant and equipment and subsurface use rights	26(c)	(317,659)	(757,954)	(447,090)	(225,425)	(21,467)
Interest received		6,327	2,324	78	70	19
Net cash used in investing activities		(311,332)	(755,630)	(447,012)	(225,355)	(21,448)
Cash flows from financing activities						
Capital contributions from shareholders	19(i)	–	29,765	–	–	–
Proceeds from borrowings	26(b)	207,635	1,194,512	141,546	1,675	53,491
Repayments of borrowings	26(b)	–	–	(3,177)	(1,268)	(23,558)
Increase in amounts due to shareholders	26(b)	–	11,614	15,568	–	9,571
Interest paid	26(b)	(15,169)	(34,358)	(62,907)	(32,207)	(33,747)
Payments for upfront arrangement fee		(2,407)	(9,421)	–	–	–
Principal elements of lease liabilities	26(d)	(103)	(43)	–	–	–
Payments for listing expenses		(75)	(4,299)	(2,794)	(1,741)	(4,190)
Net cash generated from/(used in) financing activities		189,881	1,187,770	88,236	(33,541)	1,567
Net change in cash and cash equivalents		(168,958)	369,422	(421,930)	(286,684)	(4,327)
Cash and cash equivalents at beginning of the year/period		287,994	99,496	476,687	476,687	41,440
Effects of exchange rate changes on cash and cash equivalents		(19,540)	7,769	(13,317)	(16,778)	(4,451)
Cash and cash equivalents at end of the year/period		99,496	476,687	41,440	173,225	32,662

II. NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1 GENERAL INFORMATION

Jiaxin International Resources Investment Limited was incorporated in Hong Kong as a limited liability company under the Hong Kong Companies Ordinance Cap. 622 on August 29, 2014. The address of the Company's registered office is 45/F, Office Tower Convention Plaza, 1 Harbour Road, Wan Chai, Hong Kong.

The Company is an investment holding company. The Group is principally engaged in the exploration, development and operating a tungsten mine ("Boguty tungsten mine") in the Republic of Kazakhstan ("Kazakhstan"). During the six months ended June 30, 2025, the Group substantially completed the construction of the mining infrastructures of the Boguty tungsten mine, and commenced the commercial production and sales of tungsten concentrate. The principal activities of the subsidiaries are described in Note 28.

Prior to May 31, 2021, Ever Trillion International Limited ("Ever Trillion") and Jiangxi Copper (Hong Kong) Investment Company Limited ("JCHK") held 51% and 49% of the share capital of the Company respectively.

On May 31, 2021, CCECC (H.K.) Limited ("CCECC HK") and CRCC International Investment Group Limited ("CRCCII") subscribed 5% and 10% of the share capital of the Company, at subscription amounts of approximately HK$89,081,000 and HK$178,163,000, respectively, pursuant to the terms and conditions of an equity investment agreement dated August 30, 2020. Accordingly, during the Track Record Period, the shareholders of the Company included Ever Trillion, JCHK, CRCCII and CCECC HK, which held 43.35%, 41.65%, 10% and 5% of the share capital of the Company respectively. The directors of the Company regarded that there was no ultimate controlling party for the Group throughout the Track Record Period.

Pursuant to a resolution of the shareholders' meeting on February 15, 2023, it was resolved to increase the Company's share capital through capitalization of amounts due to Ever Trillion and JCHK totaling approximately HK$168,639,000 and cash contributions from the remaining shareholders totaling approximately HK$29,760,000, in proportion to their respective shareholdings. There is no change in the respective proportion of the holdings in the Company among all the shareholders upon completion of this capital contribution.

The Historical Financial Information contained in this Prospectus does not constitute the Company's statutory annual consolidated financial statements for any of the financial years ended December 31, 2022, 2023 and 2024 but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

As the Company is a private company, it is not required to deliver its financial statements to the Registrar of Companies, and has not done so.

The Company's auditor has reported on these financial statements. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis; and did not contain a statement under either sections 406(2), 407(2) or (3) of the Companies Ordinance.

2 SUMMARY OF ACCOUNTING POLICIES

The accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied throughout the Track Record Period, unless otherwise stated.

2.1 Basis of preparation

The Historical Financial Information of the Group has been prepared in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and requirements of the Hong Kong Companies Ordinance Cap. 622. The Historical Financial Information has been prepared under the historical cost convention.

HKFRS Accounting Standards comprise the following authoritative literature:

- Hong Kong Financial Reporting Standards
- Hong Kong Accounting Standards
- Interpretations developed by the HKICPA.

The preparation of the Historical Financial Information in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are critical to the Historical Financial Information are disclosed in Note 4.

During the years ended December 31, 2022 and 2023 and 2024 and the six months ended June 30, 2025, the Group recorded net loss of HK$94,450,000, HK$80,129,000, HK$176,529,000, and HK$6,989,000, respectively, and the Group recorded net current liabilities and net liabilities of HK$442,944,000 and HK$29,894,000, respectively as at June 30, 2025 as the Group only commenced the commercial production of the Boguty tungsten mine in a short period of time during the six months ended June 30, 2025. In preparing this Historical Financial Information, the directors have taken into account a projected cash flow covering a period of not less than 12 months from June 30, 2025 with projected operating cash inflows, the financial position of the Group as at June 30, 2025, and sources of financing in the next 12 months from June 30, 2025, including the available banking facilities, funds raising from issuance of new shares or financial support from its shareholders, and concluded that the Group has sufficient financial resources to meet its financial obligations for the foreseeable future. Consequently, the Historical Financial Information has been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal courses of business.

2.2 New and amended standards and interpretations adopted by the Group

In preparing the Historical Financial Information, the Group has consistently adopted all applicable new and amended standards that have come into effect during the Track Record Period throughout all the years/periods presented, except for any amended standards and interpretation that are not yet effective during the Track Record Period.

2.3 Amended standards and interpretation not yet adopted

The Group has not early adopted the following issued new standards and amendments to standards and interpretation. Except for the disclosed below, none of these is expected to have any significant impact on the Group in the current or future reporting periods.

		Effective for annual periods beginning on or after
Annual Improvements to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11	January 1, 2026
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments Contracts Referencing Nature – Dependent Electricity	January 1, 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures'	January 1, 2027
Amendments to HKAS 28 and HKFRS 10	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

HKFRS 18 will replace HKAS 1 Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the consolidated statement of comprehensive income and providing management-defined performance measures within the financial statements.

2.4 Material accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Historical Financial Information are presented in HK$, which is the Company's functional and the Group's presentation currency. The Group changed the functional currency of its major subsidiary in Kazakhstan who operates the Boguty tungsten mine to Chinese Renminbi ("RMB") upon the commencement of commercial production and sales of tungsten concentrate during the six months ended June 30, 2025 after considering the price of its products sales in the foreseeable future is generally being affected by RMB.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year/period end exchange rates are generally recognized in profit or loss.

Foreign exchange gains and losses are presented in the profit or loss on a net basis within other losses, net.

(iii) Group companies

The results and financial positions of the overseas subsidiaries (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statements of financial position;
- income and expenses for each statement of comprehensive loss is translated at average exchange rates during the reporting period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting currency translation differences are recognized in other comprehensive income.

(b) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items and costs incurred in bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The cost of property, plant and equipment includes the estimated cost of mine rehabilitation, restoration and dismantling.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the following method to allocate their costs, net of their residual values, over their useful life as follows:

Buildings and infrastructures	Straight-line over 10-15 years
Mining development assets	Units-of-production
Machinery	Straight-line over shorter of remaining period of subsurface use rights or 20 years
Vehicles	Straight-line over 4-15 years
Computer equipment and others	Straight-line over 2-8 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.4(d)).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts. These are included in the profit or loss.

Exploration and evaluation assets

Exploration and evaluation activities include expenditure to identify potential mineral resources, determine the technical feasibility and assess the commercial viability of the potential mineral resources.

Exploration and evaluation costs that are incurred before the Group has obtained the legal right to explore an area or are incurred up to and including the pre-feasibility phase, are recognized in the profit or loss. Subsequent exploration and evaluation costs are capitalized as exploration and evaluation asset.

Exploration and evaluation assets are treated as tangible assets and classified as part of property, plant and equipment. As the assets are not yet ready for use, they are not depreciated.

Exploration and evaluation assets are carried forward if the rights to the area of interest are current and the expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by the sale of the asset. Exploration and evaluation assets shall no longer be classified as such when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Once the technical feasibility and commercial viability of the development of an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining development assets within property, plant and equipment.

Exploration and evaluation assets are tested by the Group for impairment whenever facts and circumstances indicate assets' impairment. An impairment loss is recognized for the amount by which exploration and evaluation assets, carrying amount exceeds their recoverable amount. The recoverable amount is higher of the exploration and evaluation assets' fair value less costs to sell and their value in use.

Development assets and construction in progress

Mining development assets comprised the amounts transferred from exploration and evaluation assets, subsequent stripping costs and all subsequent expenditures to develop the mine in production phase. On completion of development, expenditures classified as construction in progress will be reclassified to mining assets.

Mining development assets and construction in progress is stated at cost less any impairment losses and is not depreciated. Cost also comprises the direct construction costs and capitalized borrowing costs on related borrowing to finance the construction.

(c) Subsurface use rights

Subsurface use rights of the Group which were granted until 2040, are stated at cost less accumulated amortization and impairment, if any. The acquisition cost of subsurface use right includes the subscription bonus, commercial discovery bonus and acquisition cost of subsurface use rights.

The subsurface use right is amortized using the unit-of-production method, based on lower of the volume of ore reserves or ore permitted to be mind as stipulated in the subsurface use right, from the time of beginning of tungsten ore mining.

(d) Impairment of non-financial assets

Intangible assets that are not yet available for use are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(e) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined on the weighted average basis and, in the case of work in progress and finished goods, comprises direct materials, direct labor, overburden removal, mining, processing, and an appropriate proportion of production overheads, mine rehabilitation costs incurred in the extraction process and other fixed and variable costs directly related to mining activities. Net realizable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

(f) Provisions and contingent liabilities

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

Asset retirement obligations

Asset retirement obligations which meet the criteria of provisions are recognized as provisions and the amount recognized is the present value of the estimated future expenditure relating to the rehabilitation, restoration and dismantling of areas disturbed during the mine's operations up to the reporting date but not yet rehabilitated. The estimated future expenditures includes the cost of recontouring, top soiling and revegetation to meet legislative requirements and is determined in accordance with assets conditions and legal requirements.

Interest expenses from the assets retirement obligations for each period are recognized with the effective interest method during the useful life of the related property, plant and equipment. Uncertainty exists as to the amount of asset retirement obligations that will be incurred due to the impact of changes in environmental legislation, and many other factors, including future developments, changes in technology, price increases and changes in interest rates. The amount of the provision relating to mine rehabilitation, restoration and dismantling obligations is recognized at the commencement of the mining project and/or construction of the assets where a legal or constructive obligation exists at that time.

The provision is recognized as a liability, separated into current (estimated expenditure arising within 12 months) and non-current components, based on the expected timing of these cash flows. A corresponding asset is included in property, plant and equipment, only to the extent that it is probable that future economic benefits associated with the restoration expenditure will flow to the entity, otherwise a corresponding expense is recognized in the profit or loss. The capitalized cost of this asset is recognized in property, plant and equipment and is amortized over the life of the mine. At each reporting date, the rehabilitation liability is remeasured in line with changes in discount rates, and timing or amounts of the costs to be incurred.

If a decrease in the provision exceeds the carrying amount of the property, plant and equipment recognized corresponding to the provision, the excess shall be recognized immediately in profit or loss. If the conditions for the recognition of the provisions are not met, the expenditures for asset retirement will be expensed in profit or loss when occurred.

(g) Borrowings and borrowings costs

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from consolidated statements of financial position when the obligation specified in the contract is discharged, canceled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as finance costs.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time to get ready for intended use or sale (qualifying assets) are capitalized. Other borrowing costs are expensed in the period in which they are incurred. Capitalization of borrowing costs includes capitalizing foreign exchange differences relating to borrowings to the extent that they are regarded as an adjustment to interest costs. The gains and losses that are an adjustment to interest costs include the interest rate differential between borrowing costs that would be incurred if the entity borrowed funds in its functional currency, and borrowing costs actually incurred on foreign currency borrowings.

The commencement date for capitalization is when (a) the Group incurs expenditures for the qualifying asset; (b) it incurs borrowing costs; and (c) it undertakes activities that are necessary to prepare the asset for its intended use or sale.

(h) Revenue

Revenue from contracts with customers is recognized when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is presented net of value-added tax ("VAT"), returns and discounts.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group recognize the sales of goods, tungsten concentrate, at the point in time when control of the goods is transferred to the customers, generally on delivery of goods and the transfer of the legal ownership to the customers.

(i) Employee benefits

(i) Pension obligations

The Group participates in various defined contribution retirement benefit plans schemes which are available to all relevant employees. These plans are generally funded through payments to schemes established by governments or trustee-administered funds. A defined contribution plan is a pension plan under which the Group pays contributions on a mandatory, contractual or voluntary basis into a separate fund. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior years. The Group's contributions to the defined contribution plans are expensed or capitalized into cost of assets as incurred and not reduced by contributions forfeited by those employees who leave the plans prior to vesting fully in the contributions. No forfeited contributions have been utilized by the Group to reduce the existing contributions.

(ii) Employee leave entitlements

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(iii) Discretionary bonus

Discretionary bonus is accrued for the year/period in which the associated services are rendered by employees of the Group.

Liabilities for discretionary bonus are expected to be settled within twelve months and are measured at the amounts expected to be paid when they are settled.

(j) Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and unused tax losses.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country/area where the Company or its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(ii) Deferred income tax

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from the initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction neither accounting nor taxable profit or loss is affected and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available to utilize those temporary differences and tax losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

(iii) Offsetting

Deferred income tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and current tax liabilities where the deferred income taxes assets and liabilities relate to income tax levied by the same taxation authority. Current tax assets and current tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

2.5 Other accounting policies

(a) Principles of consolidation

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of comprehensive loss, consolidated statements of changes in equity and financial position respectively.

Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRS Accounting Standards.

Separate financial statements

Investments in subsidiaries are accounted for at cost less any impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors of the Company that make strategic decisions.

(c) Investments and other financial assets

(i) Classification

The Group classifies its financial assets as financial assets at amortized cost or fair value. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Financial assets are recognized on trade-date, the date on which the Group occurs transactions with other parties. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments into the measurement category of amortized cost.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other (losses)/gains, net together with foreign exchange gains and losses, net. Impairment losses are presented as separate line item in the statements of comprehensive loss.

(iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

(v) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in certain circumstances, such as default, insolvency, bankruptcy or termination of a contract.

(d) Trade receivables

Trade receivables are amounts due from sale of goods in the ordinary course of business. If collection of trade receivables is expected in one year or less (or any in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognized initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognized at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

(e) Cash and cash equivalents

Cash and cash equivalents include cash at bank and on hand, deposits held at call with banks and other highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(g) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(h) Leases

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the subsidiaries of the Group which does not have recent third-party financing, and
- makes adjustments specific to the lease, such as: term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The Group generally does not have any early termination options. However, in case of certain leases the Group has extension option exercisable at the discretion of the Group, such extension options allow for operational flexibility in managing the Group's assets. Where the Group assesses at lease commencement date that it is reasonably certain to exercise the extension options, rentals during the extension period are included in determination of lease liability.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

The Group does not present right-of-use assets separately in the statement of financial position, and include right-of-use assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned.

(i) Finance income

Finance income on financial assets at amortized cost calculated using the effective interest method is recognized in profit or loss as part of finance income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

(j) Losses per share

(i) Basic losses per share

Basic losses per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year/period, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted losses per share

Diluted losses per share adjusts the figures used in the determination of basic losses per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including foreign exchange risk and interest rate risk). The Group has in place controls to manage these risks to an acceptable level without affecting its business. Management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group's overall risk management function focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

The Group sets financial risk management policies in accordance with policies and procedures approved by the Board of Directors. The Board of Directors identifies and evaluates any financial risks in close co-operation with the Group's operating units and provides written principles for overall risk management.

Financial risk management of the Group is carried out by the finance department of the Group. The finance department undertakes regular reviews of risk management controls and procedures which are reported to the management.

(a) Credit risk

Credit risk of the Group mainly arises from its trade receivables, other receivables and cash and cash equivalents.

The Group has policies in place to ensure that sales on credit terms are made to customers with an appropriate credit history and the Group performs periodic credit evaluations of its customers. Majority of the sales proceeds of the tungsten concentrate are collectible within a few days after delivery with the remaining balance on credit terms within 15 days from the issuance of final billing statement to the customers. Normally the Group does not require collaterals from trade debtors.

All the bank balances of the Group are held in reputable bank with sound creditability and other receivables are only made with counterparties with an appropriate credit history. The Group performs periodic credit evaluations of its counterparties.

For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which permits the use of the lifetime expected loss provision. The credit loss for trade receivables is assessed with similar risk characteristics on a pool basis mainly based on external credit rating information and consideration of current and future economic conditions.

Expected credit loss ("ECL") of financial assets at amortized cost other than trade receivables

Impairment on financial assets at amortized cost other than trade receivables are measured using three-stages general approach ECL assessment, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognize their ECL, as follows:

– Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in stage 1.

– Stage 2: If the credit risk has increased significantly since its initial recognition but is not yet deemed to be credit impaired, the financial instrument is included in stage 2. The description of how the Group determines when a significant increase in credit risk has occurred is disclosed in the following section of "judgment of significant increase in credit risk".

– Stage 3: If the financial instruments are credit-impaired, the financial instruments are included in stage 3. The definition of credit-impaired financial assets is disclosed in the following section of "the definition of credit-impaired assets".

The Group considers the credit risk characteristics of different financial instruments when determining if there is significant increase in credit risk. For financial instruments with or without significant increase in credit risk, 12-month or lifetime expected credit losses are provided respectively.

The expected credit loss is the result of discounting the product of exposure at default, probabilities of default ("PD") and loss given default ("LGD"). According to whether the credit risk has increased significantly or whether the assets have been impaired, the Group measures the loss allowance with the expected credit losses of 12-month or the lifetime due to the credit risk characteristics of different assets.

Judgment of significant increase in credit risk ("SICR")

Under HKFRS 9, when considering the impairment stages for financial assets, the Group evaluates the credit risk at initial recognition and also whether there is any significant increase in credit risk for each reporting period. The Group considers various reasonable supporting information to judge if there is significant increase in credit risk when determining the ECL staging for financial assets. Major factors being considered include solvency and operational capabilities. The Group could base on individual financial instruments or portfolios of financial instruments with similar credit risk characteristics to determine ECL staging by comparing the credit risks of the financial instruments at the reporting date with those at initial recognition.

The Group sets quantitative and qualitative criteria to judge whether the credit risk has SICR after initial recognition. The judgment criteria mainly include the PD changes of the debtors, changes of credit risk categories and other indicators of SICR, etc.

The definition of credit-impaired assets

Under HKFRS 9, in order to determine whether credit impairment occurs, the defined standards adopted by the Group are consistent with the internal credit risk management objectives for relevant financial assets, while considering quantitative and qualitative indicators. When the Group assesses whether the debtor has credit impairment, the following factors are mainly considered:

- The debt has overdue for more than 90 days after the contract payment date.

- The lender gives the debtor concessions for economic or contractual reasons due to the debtor's financial difficulties, where such concessions are normally reluctant to be made by the lender.

- The debtor has significant financial difficulties.

- The debtor is likely to go bankrupt or needs other financial restructuring.

The credit impairment of financial assets may be caused by the joint effects of multiple events and may not be caused by separately identifiable events.

Forward-looking information

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle the receivables.

The Group comprehensively considers internal and external data, expert forecasts and statistical analysis to determine the relationship between economic indicators with PD and LGD. The Group evaluates and forecasts these economic indicators at least annually, provides the best estimates for the future, and regularly evaluates the results.

Similar to other economic forecasts, the estimates of economic indicators have high inherent uncertainties, actual results may have significant difference with estimates. The Group considered the estimates above represented the optimal estimation of possible outcomes.

Credit risk exposure of financial assets

Without considering the impact of collateral and other credit enhancement, for on-balance sheet assets, the maximum exposures are based on net carrying amounts as reported in the consolidated financial statements.

Concentration of credit risk reflects the sensitivity of the Group's operating results to a particular customer, industry or geographic location.

The directors of the Company consider the probability of default upon initial recognition of an asset and whether there has been significant increase in credit risk on an ongoing basis. To assess whether there is a significant increase in credit risk, the Company compares risk of a default occurring on the asset at the end of the reporting period with the risk of default as at the date of initial recognition. The indicators incorporated included actual or expected significant adverse changes in business, financial economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations; actual or expected significant changes in the operating results of the counterparty; and significant changes in the expected performance and behavior of the counterparty, including changes in the payment status of the counterparty.

Trade receivables

The Group assesses the expected credit losses on trade receivable based on external credit rating information of the debtors and consideration of current and future economic conditions. To measure the expected credit losses, trade receivables have been grouped with similar risk characteristics and, collectively or individually, assessing them for likelihood of recovery.

For trade receivables relating to accounts in which there are objective evidence that the debtor faces significant financial difficulties or significant doubt on the collectability, they are assessed individually for impairment allowance.

No loss allowances were provided on trade receivables as the directors are of the opinion that the risk of default by the counterparty is not significant, taking into account forward-looking information on macroeconomics factors.

Cash and cash equivalents

As at December 31, 2022, 2023 and 2024 and June 30, 2025, all of the Group's cash at bank was placed with reputable banks with sound credit quality, no recent history of default and there was no increase in credit risk of these financial institutions. Accordingly, management does not expect that there would be any losses from non-performance by these financial institutions and the credit risk related to cash and cash equivalents was remote and no provision for allowance is made.

Other receivables

As at December 31, 2022, 2023 and 2024 and June 30, 2025, all of the other receivables of the Group are considered at stage 1 in accordance with HKFRS 9 and there are no significant increase in credit risk of the counterparties. Accordingly, management considered that the exposure to loss arising from the non-performance by the counterparties were minimal and no provision for allowance is made.

Amounts due from subsidiaries

As at December 31, 2022, 2023 and 2024 and June 30, 2025, the Company has assessed that the expected loss rate for amounts due from its subsidiaries were low as the Company did not expect there are significant difficulty for its subsidiaries to meet their obligations in the future. Thus the loss allowance is immaterial and no loss allowance provision for amounts due from subsidiaries was recognized during the Track Record Period.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and the availability of funding through facilities provided by banks as well as the provision of sufficient financial support by its shareholders.

The tables below analyze the Group's financial liabilities into relevant maturity groups based on the remaining period at the end of the reporting periods to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total	Carrying amount
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At December 31, 2022						
Amounts due to shareholders	188,438	–	–	–	188,438	185,269
Other payables (excluding employee benefit payables and other tax payable and asset retirement obligation)	30,753	8,682	6,405	–	45,840	44,044
Borrowings	3,902	7,040	252,259	138,764	401,965	381,346
Lease liabilities	112	–	–	–	112	112
	223,205	15,722	258,664	138,764	636,355	610,771
At December 31, 2023						
Amounts due to shareholders	33,397	–	–	–	33,397	32,268
Other payables (excluding employee benefit payables and other tax payable and asset retirement obligation)	25,130	33,838	27,248	–	86,216	78,781
Borrowings	69,058	116,513	1,679,193	–	1,864,764	1,619,933
	127,585	150,351	1,706,441	–	1,984,377	1,730,982
At December 31, 2024						
Amounts due to shareholders	59,701	–	–	–	59,701	57,951
Other payables (excluding employee benefit payables and other tax payable and asset retirement obligation)	70,055	28,934	3,353	–	102,342	99,627
Borrowings	239,630	249,721	1,305,059	–	1,794,410	1,655,029
	369,386	278,655	1,308,412	–	1,956,453	1,812,607
At June 30, 2025						
Trade payables	76,199	–	–	–	76,199	76,199
Amounts due to shareholders	71,790	–	–	–	71,790	69,652
Other payables (excluding employee benefit payables and other tax payable and asset retirement obligation)	59,001	38,463	–	–	97,464	93,703
Borrowings	336,416	570,612	1,095,894	–	2,002,922	1,895,083
	543,406	609,075	1,095,894	–	2,248,375	2,134,637

(c) Market risk

(i) Foreign exchange risk

The Group's foreign currency transactions are mainly denominated in Euro ("EUR"), RMB, United States dollar ("US$") and Kazakhstan Tenge ("KZT"). Foreign exchange risk arises when future commercial transactions or recognized monetary assets or liabilities of a group entity are denominated in a currency other than its functional currency.

The Group manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures and may enter into certain forward foreign exchange contracts, when necessary, to manage its exposure against EUR, RMB, US$ and KZT and to mitigate the impact on exchange rate fluctuations. During the Track Record Period, no forward foreign exchange contracts had been entered into by the Group.

As at December 31, 2022, 2023 and 2024 and June 30, 2025, the Group's major monetary assets/liabilities are dominated in the following currencies, other than HK$:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Monetary assets denominated in				
EUR	774	449,084	2,246	197
RMB	26,027	1,981	38,275	70,731
US$	67,458	26,247	141	7,764
KZT	6,004	442	1,014	2,991
Monetary liabilities denominated in				
EUR	391,106	1,625,692	1,532,025	1,715,661
RMB	33,960	68,754	230,293	285,339
US$	102,796	19,979	21,446	29,797
KZT	14,538	24,332	28,754	85,974

During the years ended December 31, 2022, 2023 and 2024, the Group is primarily exposed to foreign exchange risk with respect to EUR, US$ and RMB against HK$, the functional currency of the Company, and EUR, US$ and RMB against KZT, the functional currency of the subsidiary operates Boguty tungsten mine. During the six months ended June 30, 2025, the Group is primarily exposed to foreign exchange risk with respect to EUR, US$ and RMB against HK$, the functional currency of the Company, and EUR, US$ and KZT against RMB, the functional currency of the subsidiary operates Boguty tungsten mine. The net exposure of foreign exchange risk were listed below:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Net amounts of monetary assets/(liabilities) denominated in the following currencies against HK$				
EUR	(5,740)	(23,676)	62,415	129,713
RMB	25,146	(439)	15,558	(72,462)
US$	118,311	217,057	216,078	222,919

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Net amounts of monetary assets/(liabilities) denominated in the following currencies against KZT				
EUR	(384,439)	(1,151,137)	(1,590,099)	N/A
RMB	(30,736)	(66,255)	(182,296)	N/A
US$	(154,316)	(210,787)	(237,329)	N/A

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Net amounts of monetary assets/(liabilities) denominated in the following currencies against RMB				
EUR	N/A	N/A	N/A	(1,842,546)
US$	N/A	N/A	N/A	(244,873)
KZT	N/A	N/A	N/A	(85,296)

The sensitivity of profit or loss to changes in the exchange rates of foreign currencies against HK$, KZT and RMB are as below.

	Decrease/(increase) on loss for the year/period ended			
	December 31,			June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Exchange of the following currencies against HK$:				
EUR – increase 10%	(574)	(2,368)	6,242	12,971
– decrease 10%	574	2,368	(6,242)	(12,971)
RMB – increase 5%	1,257	(22)	(778)	(3,623)
– decrease 5%	(1,257)	22	778	3,623
Exchange of the following currencies against KZT:				
EUR – increase 10%	(38,444)	(115,114)	(159,010)	N/A
– decrease 10%	38,444	115,114	159,010	N/A
US$ – increase 10%	(15,432)	(21,079)	(23,733)	N/A
– decrease 10%	15,432	21,079	23,733	N/A
RMB – increase 10%	(3,074)	(6,626)	(18,230)	N/A
– decrease 10%	3,074	6,626	18,230	N/A
Exchange of the following currencies against RMB:				
EUR – increase 10%	N/A	N/A	N/A	(184,255)
– decrease 10%	N/A	N/A	N/A	184,255
US$ – increase 5%	N/A	N/A	N/A	(12,244)
– decrease 5%	N/A	N/A	N/A	12,244
KZT – increase 10%	N/A	N/A	N/A	8,530
– decrease 10%	N/A	N/A	N/A	(8,530)

The fluctuation of the exchange rate of US$ against HK$ has insignificant impact on the financial performance of the Group as HK$ exchange rate remains stable within a band against US$ due to Hong Kong linked exchange rate system.

(ii) Interest rate risk

The Group has no significant interest-bearing assets except for cash and cash equivalents, details of which have been disclosed in Note 18.

Borrowings carried at floating rates expose the Group to cash flow interest rate risk whereas those carried at fixed rates expose the Group to fair value interest rate risk. The exposure of the Group's borrowings to interest rate changes of the borrowings at the end of each reporting period are as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Variable rate borrowings	–	1,222,770	1,147,303	1,302,775
Fixed rate borrowings – maturity dates:				
Less than 1 year	–	3,246	184,643	279,093
1 – 5 years	244,710	393,917	323,083	313,215
Over 5 years	136,636	–	–	–
	381,346	1,619,933	1,655,029	1,895,083

During the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, should the interest rate of borrowings with floating rate be increased/decreased by 50 basis points with all other factors remain unchanged and without taking into account interest capitalization, the finance costs of the Group would be increased/decreased by approximately nil, HK$2,779,000, HK$5,997,000, HK$2,986,000 and HK$2,975,000, respectively.

The Group closely monitors trend of interest rate and its impact on the Group's interest rate risk exposure. The Group currently has not used any interest rate swap arrangements but will consider hedging interest rate risk should the need arise.

3.2 Capital risk management

The Group's main objective when managing capital is to maximize shareholders' returns and at the same time conduct its business within prudent guidelines. Management strives to maintain an optimal capital structure so as to maximize shareholder value. To achieve this, the Group may adjust the amount of dividend payment, issuance of new shares and new debt as well as obtain financial support from its immediate holding companies.

The Group also monitors capital on the basis of gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as lease liabilities, borrowings and amounts due to shareholders less cash and cash equivalents. Total capital is calculated as "Total equity/(deficit)", as shown in the consolidated statements of financial position plus net debt.

As at December 31, 2022, 2023 and 2024 and June 30, 2025, the gearing ratio was as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Lease liabilities	112	–	–	–
Borrowings	381,346	1,619,933	1,655,029	1,895,083
Amounts due to shareholders	185,269	32,268	57,951	69,652
Less: Cash and cash equivalents	(99,496)	(476,687)	(41,440)	(32,662)
Net debt	467,231	1,175,514	1,671,540	1,932,073
Total equity/(deficits)	31,046	146,366	(13,087)	(29,894)
Total capital	498,277	1,321,880	1,658,453	1,902,179
Gearing ratio	94%	89%	101%	102%

The decrease in the gearing ratio as at December 31, 2023 was mainly due to the capital contributions from the shareholders (Note 19).

The increase in the gearing ratio as at December 31, 2024 was mainly due to increase in borrowings (Note 21) and decrease in equity due to loss incurred for the year.

The increase in the gearing ratio as at June 30, 2025 was mainly due to increase in borrowings (Note 21) and increase in deficit due to loss incurred for the period.

3.3 Fair value estimation

As at December 31, 2022, 2023 and 2024 and June 30, 2025, the Group did not have any financial instruments that are measured at fair value in the consolidated statements of financial position.

The directors of the Company consider that, except for the borrowings (Note 21), the carrying amounts of financial assets and liabilities recorded at amortized cost in the consolidated statements of financial position approximate their fair values due to their short maturity.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Group makes estimates, judgments and assumptions concerning the future. The resulting accounting estimates and judgments will, by definition, seldom equal the related actual results. The estimates, judgments and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below.

(a) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there are any indicators of impairment for all non-financial assets. Management's judgments are required in assessing whether an event has occurred that may indicate that the related asset values may not be recoverable. Internal and external sources of information are reviewed at each reporting date for indications.

For the impairment indication assessment undertaken on the property, plant and equipment, subsurface use rights, and the related prepayments to contractors and suppliers for the construction of mining assets and deductible value-added tax, below external and internal sources of information was considered:

(a) observable indications that the asset's value has declined significantly more than expected.

(b) significant changes with an adverse effect in the technological, market, economic or legal environment.

(c) market interest rates have increased and those increases are likely to affect the asset's recoverable amount materially.

(d) the carrying amount of the net assets of the entity is more than its market capitalization.

(e) evidence is available of obsolescence or physical damage of an asset.

(f) significant changes with an adverse effect including the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful.

(g) evidence is available from internal reporting that indicates that the economic performance of an asset is, or will be, worse than expected.

Additionally, the Group also considered the indicators specifically for exploration and evaluation assets:

(a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;

(b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;

(c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area;

(d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The non-financial assets (other than goodwill) are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions at arm's length of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations is undertaken, management estimates the expected future cash flows from the asset or cash-generating unit and chooses a suitable discount rate to calculate the present values of those cash flows.

As at December 31, 2022, 2023 and 2024 and June 30, 2025, the Group assessed each of the above factors and concluded that there is no indicators of impairment for the non-financial assets including property, plant and equipment (Note 13), subsurface use rights (Note 14), prepayments to contractors and suppliers (Note 17) and deductible value-added tax (Note 17).

(b) Provisions for asset retirement obligations

Asset retirement obligations which meet the criteria of provisions are recognized as provisions and the amount recognized is the present value of the estimated future expenditure relating to the rehabilitation, restoration and dismantling of areas disturbed during the mine's operations up to the reporting date but not yet rehabilitated. The estimated future expenditures include the cost of recontouring, top soiling and revegetation to meet legislative requirements and are determined in accordance with assets conditions and legal requirements.

Uncertainty exists as to the amount of asset retirement obligations that will be incurred due to the impact of changes in environmental legislation, and many other factors, including future developments, changes in technology, price increases and changes in interest rates.

(c) Current and deferred income tax

The Group is subject to income taxes in different tax jurisdiction. Significant judgment is required in determining provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognized when management considers it is probable that future taxable profits will be available against which the temporary differences or tax losses can be utilized. When the expectation is different from the original estimate, such differences will impact the recognition of deferred income tax assets and taxation charges in the year/period in which such estimate is charged. During the six months ended June 30, 2025, the Group recognized deferred assets on tax losses based on its estimation of the amounts of future taxable profits upon the commencement of commercial production of the Boguty tungsten mine.

5 SEGMENT INFORMATION AND REVENUE

The Group is principally engaged in the exploration, development and mining of production of Tungsten ore in Kazakhstan. CODM reviews the operating results of the business as one operating segment to make decisions about resources to be allocated as the Group currently focus on the operation of its Boguty tungsten mine. Therefore, the CODM regards that there is only one segment which is used to make strategic decisions.

The Group's non-current assets were primarily located in Kazakhstan and therefore no geographical information is presented.

During the Track Record Period, the Group recognized the following revenue:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (*Unaudited*)	*HK$'000*
Sales of tungsten concentrate – recognized at a point in time	–	–	–	–	126,313

For the six months ended June 30, 2025, all of the Group's revenue were derived from transactions with a single customer.

6 EXPENSES BY NATURE

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (*Unaudited*)	*HK$'000*
Consumables costs	–	–	–	–	93,670
Stripping costs	–	–	–	–	44,656
Energy costs	–	–	–	–	16,566
Employee benefit expenses (including directors' emoluments) *(Note 8)*	26,172	26,818	39,542	14,367	39,956
Changes in finished goods and work in progress	–	–	–	–	(90,244)
Listing expenses	557	19,077	11,535	7,450	13,462
Mining evaluation expenses	–	431	466	466	–
Insurance expenses	1,435	3,214	3,193	1,664	1,622
Traveling and business conference expenses	3,110	2,922	3,266	1,187	1,967
Legal and professional fees	2,847	2,537	3,412	916	1,125
Depreciation *(Note 13)*	723	1,658	1,845	874	25,653
Amortization *(Note 14)*	–	–	–	–	69
Contribution to local community	526	3,768	3,079	606	8
Auditors' remuneration	820	820	738	410	410
Office expenses	839	674	754	232	4,091
Short-term lease expenses	925	563	919	309	473
Transportation and delivery cost	–	–	–	–	774
Others	3,107	5,372	7,191	4,760	14,573
	41,061	67,854	75,940	33,241	168,831

7 OTHER GAINS/LOSSES, NET

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Foreign exchange losses, net *(note 9(a))*	(32,511)	(9,555)	(84,813)	(30,502)	(25,158)
Others	(1,518)	118	1,064	344	(2,042)
	(34,029)	(9,437)	(83,749)	(30,158)	(27,200)

8 EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Wages, salaries and bonuses	17,508	17,086	31,208	10,252	30,566
Staff welfare expenses	2,634	3,122	4,195	1,927	4,574
Pensions *(note (a))*	2,206	2,630	1,306	526	1,428
Other social security costs, housing benefits	3,824	3,980	2,833	1,662	3,388
	26,172	26,818	39,542	14,367	39,956
Less: Staff cost capitalized as inventories	–	–	–	–	(4,633)
	26,172	26,818	39,542	14,367	35,323

(a) Pensions — defined contribution plans

The Group provides retirement benefits to all eligible Hong Kong employees under the Mandatory Provident Fund ("MPF Scheme"). Under the MPF Scheme, the Group and its employees make monthly contributions to the MPF Scheme at 5% of the employees' salaries as defined under the Mandatory Provident Fund legislation. Contributions of both the Hong Kong subsidiaries and their employees are subject to a maximum of HK$1,500 per month and thereafter contributions are voluntary and are not subject to any limitation. The MPF Scheme is administered by an independent trustee and its assets are held separately from those of the Group.

In accordance with the legal requirements of Kazakhstan, the Group withholds pension contribution from employees' salary and transfers them to the Unified Accumulative Pension Fund. Upon retirement of employees, all pension payments are administered by Unified Accumulative Pension Fund.

As stipulated by rules and regulations in the People's Republic of China ("PRC"), the Group contributes to state-sponsored retirement schemes for its employees in the PRC. The Group's Chinese employees make monthly contributions to the scheme's certain percentage of the relevant income (comprising wages, salaries, allowances and bonus, and subject to maximum caps), while the Group also contributes certain percentage of such relevant income, subject to certain ceiling and has no further obligations for the actual payment of post-retirement benefits beyond the contributions. The state-sponsored retirement schemes are responsible for the entire post-retirement benefit obligations payable to the retired employees.

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the Track Record Period including 1 director for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, respectively whose emoluments are reflected in the analysis shown in Note (c) below.

The emoluments paid and payables to the remaining four highest paid individuals for each of the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025 are as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Salaries, wages, and bonuses	4,203	3,483	4,088	1,490	1,899
Pension	345	341	382	33	28
Other social security costs, housing benefits	244	260	272	70	38
	4,792	4,084	4,742	1,593	1,965

The remunerations of the four highest paid non-director individuals during the Track Record Period fell within the following bands:

	Number of individuals				
	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
				(Unaudited)	
Emolument bands					
Nil – HK$500,000	–	–	–	4	3
HK$500,001 – HK$1,000,000	–	–	–	–	1
HK$1,000,001 – HK$1,500,000	3	4	4	–	–
HK$1,500,001 – HK$2,000,000	1	–	–	–	–
	4	4	4	4	4

(c) Directors' emoluments

The emoluments of each director of the Company during the Track Record Period are as follows:

	Fees	Salary, allowances and benefits in kind *(i)*	Discretionary bonus	Contributions to retirement benefits scheme	Others emoluments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Year ended December 31, 2022						
Chairman of the Board and Executive Director						
Liu Liqiang	–	–	–	18	639	657
Executive Director						
Wang Zhongwei	–	731	663	94	50	1,538
Qiu Huaizhi	–	475	–	49	66	590
Non-executive Directors						
Lian Jie *(i)*	–	–	–	–	–	–
Shu Zhiming *(ii)*	–	–	–	–	–	–
Zha Kebing	–	–	–	–	–	–
	–	1,206	663	161	755	2,785
Year ended December 31, 2023						
Chairman of the Board and Executive Director						
Liu Liqiang	–	–	–	18	633	651
Executive Director						
Wang Zhongwei	–	690	537	119	54	1,400
Qiu Huaizhi	–	488	–	48	69	605
Non-executive Directors						
Zha Kebing	–	–	–	–	–	–
Lian Jie *(i)*	–	–	–	–	–	–
	–	1,178	537	185	756	2,656
Year ended December 31, 2024						
Chairman of the Board and Executive Director						
Liu Liqiang	–	2	–	18	630	650
Executive Director						
Wang Zhongwei	–	697	646	122	47	1,512
Qiu Huaizhi	–	552	–	30	140	722
Non-executive Directors						
Zha Kebing	–	–	–	–	–	–
Lian Jie *(i)*	–	–	–	–	–	–
	–	1,251	646	170	817	2,884

	Fees	Salary, allowances and benefits in kind *(i)*	Discretionary bonus	Contributions to retirement benefits scheme	Others emoluments	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
(Unaudited)						
Six months ended June 30, 2024						
Chairman of the Board and Executive Director						
Liu Liqiang	–	–	–	9	217	226
Executive Director						
Wang Zhongwei	–	293	249	47	10	599
Qiu Huaizhi	–	242	–	17	29	288
Non-executive Directors						
Zha Kebing	–	–	–	–	–	–
Lian Jie *(i)*	–	–	–	–	–	–
	–	535	249	73	256	1,113
Six months ended June 30, 2025						
Chairman of the Board and Executive Director						
Liu Liqiang	–	–	–	9	312	321
Executive Director						
Wang Zhongwei	–	325	308	52	11	696
Qiu Huaizhi	–	284	–	14	3	301
Non-executive Directors						
Zha Kebing	–	–	–	–	–	–
Lian Jie *(i)*	–	–	–	–	–	–
	–	609	308	75	326	1,318

Salaries paid to a director is generally emoluments paid or receivable in respect of that person's other services in connection with the management of the affairs of the Company or its subsidiary undertakings. Allowance and benefits includes housing allowances and other benefits.

(i) Lian Jie was appointed on June 14, 2022.

(ii) Shu Zhiming was resigned on June 14, 2022.

(d) Directors' retirement and termination benefits

None of the directors received or will receive any retirement and termination benefits during the Track Record Period.

(e) Consideration provided to third parties for making available directors' services.

During the Track Record Period, no consideration was provided to or receivable by any third parties for making available directors' services.

(f) Information about loans, quasi-loans and other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors.

No other loans, quasi-loans and other dealing arrangements in favor of the directors, or controlled bodies corporate by and connected entities with such directors during the Track Record Period.

(g) Directors' material interests in transactions, arrangements or contracts.

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

9 FINANCE INCOME/(COSTS), NET

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (*Unaudited*)	*HK$'000*
Finance income:					
Interest income on deposits in financial institutions	5,293	1,908	78	70	19
Finance costs:					
Interest expenses *(note (b))*	(29,224)	(40,239)	(86,722)	(37,892)	(34,997)
Unwinding of discount	(311)	(4,057)	(2,269)	(3,652)	(268)
Foreign exchange losses, net	(583)	(9,155)	(107,771)	–	(93,111)
	(30,118)	(53,451)	(196,762))	(41,544)	(128,376)
Less: Amount capitalized *(note (a))*	5,465	48,705	179,844	39,904	108,520
	(24,653)	(4,746)	(16,918)	(1,640)	(19,856)
Finance income/(costs), net	(19,360)	(2,838)	(16,840)	(1,570)	(19,837)

Notes:

(a) During the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, interest expenses and foreign exchange losses of approximately HK$5,465,000, HK$48,705,000, HK$179,844,000, HK$39,904,000 and HK$108,520,000, respectively were capitalized into property, plant and equipment in relation to the borrowings specifically financed for the construction of mining assets of the Group.

During the six months ended June 30, 2025, the construction of the mining assets of the Group was substantially completed and ready for their intended use. Accordingly, no further capitalization of interest expenses and foreign exchange in relation of the completed construction accordingly.

(b) During the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, interest expenses in respect of the lease liabilities of HK$12,000, nil, nil, nil and nil, respectively were included in finance costs.

10 INCOME TAX

Income tax expense is recognized based on management's best knowledge of the income tax rates expected for the financial year. Income tax recognized during the Track Record Period is as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Income tax credit					
Deferred tax	–	–	–	–	82,566

(a) Income tax expenses

(i) Hong Kong profits tax

The Company was incorporated in Hong Kong and is subject to Hong Kong profit tax at an applicable rate of 16.5% during the Track Record Period.

(ii) Kazakhstan profits tax

The subsidiaries in Kazakhstan are subject to Kazakhstan profits tax at an applicable rate of 20% during the Track Record Period.

(iii) PRC corporate income tax

The subsidiary established in the PRC is subject to PRC corporate income tax at an applicable rate of 25% during the Track Record Period.

(iv) Luxembourg corporate income tax

The subsidiary established in Luxembourg is subject to the general Luxembourg corporate income tax at an applicable rate of 15% during the Track Record Period.

(b) The income tax expense on the Group's loss before income tax differs from the theoretical amount that would arise using the profit tax rate in Hong Kong as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Loss before income tax	(94,450)	(80,129)	(176,529)	(64,969)	(89,555)
Tax calculated at a tax rate of 16.5%	(15,584)	(13,221)	(29,127)	(10,720)	(14,777)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(762)	(1,190)	(3,970)	(1,538)	(1,170)
Expenses not deductible for tax purposes	5,887	3,547	2,529	228	3,464
Income not subject to tax	(938)	(5,338)	–	–	(3,320)
Deferred income tax assets on taxable losses not recognized	11,397	16,202	30,568	12,030	5,765
Recognition and utilization of deferred income tax assets previously not recognized	–	–	–	–	(72,528)
Income tax expense	–	–	–	–	(82,566)

During the six months ended June 30, 2025, the Group recognized deferred tax assets on tax losses carried forward as management considers it is probable that future taxable profits will be available to realize the related tax benefit upon the commencement of commercial production of Boguty tungsten mine. Apart from that, as at December 31, 2022, 2023 and 2024 and June 30, 2025, the Group had the following unutilized tax losses available for offsetting against future profits of which no deferred income tax assets were recognized. The expiry period of these tax losses are as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 5 years	25,714	23,379	23,653	–
Within 10 years	39,543	82,239	191,882	1,700
No expiry date	154,781	209,277	261,279	294,159
	220,038	314,895	476,814	295,859

11 LOSSES PER SHARE

(a) Basic losses per share

Basic losses per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the Track Record Period:

		Year ended December 31,			Six months ended June 30,	
		2022	2023	2024	2024	2025
					(Unaudited)	
Losses attributable to the equity holders of the Company	*HK$'000*	(93,661)	(78,920)	(172,970)	(63,617)	(5,996)
Weighted average number of ordinary shares in Issue	*Share*	11,765	11,765	11,765	11,765	11,765
Basic losses per share	*HK$*	(7,961)	(6,708)	(14,702)	(5,407)	(510)

(b) Diluted losses per share

Diluted losses per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

There are no potential dilutive ordinary shares, and the diluted losses per share are equal to the basic losses per share.

The basic and diluted loss per share information as presented above has not taken into account the proposed share subdivision pursuant to the shareholders' resolution passed on August 15, 2025 because the proposed share subdivision has not become effective as of the date of this accountant's report.

12 DIVIDENDS

No dividend has been paid or declared by the Company during the Track Record Period.

13 PROPERTY, PLANT AND EQUIPMENT

	Buildings and infrastructures	Mining development assets	Exploration and evaluation assets	Right-of-use assets – office premises	Motor vehicles, computers and office equipment	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At January 1, 2022							
Cost	–	–	18,924	1,091	3,349	41,076	64,440
Accumulated depreciation	–	–	–	(882)	(307)	–	(1,189)
Net book amount	–	–	18,924	209	3,042	41,076	63,251
Year ended December 31, 2022							
Opening net book amount	–	–	18,924	209	3,042	41,076	63,251
Additions	–	11,114	4,670	–	2,748	191,703	210,235
Transfer *(note (a))*	619	22,467	(22,467)	–	1,204	(1,823)	–
Depreciation *(Note 6)*	–	–	–	(95)	(628)	–	(723)
Disposal	–	–	–	–	(1,225)	–	(1,225)
Currency translation differences	(3)	(157)	(1,127)	(13)	(198)	(2,599)	(4,097)
Closing net book amount	616	33,424	–	101	4,943	228,357	267,441
At December 31, 2022							
Cost	616	33,424	–	1,022	5,846	228,357	269,265
Accumulated depreciation	–	–	–	(921)	(903)	–	(1,824)
Net book amount	616	33,424	–	101	4,943	228,357	267,441
Year ended December 31, 2023							
Opening net book amount	616	33,424	–	101	4,943	228,357	267,441
Additions	36	60,348	–	–	2,043	668,712	731,139
Transfer	9,743	–	–	–	–	(9,743)	–
Depreciation *(Note 6)*	(637)	–	–	–	(1,021)	–	(1,658)
Disposal	–	–	–	(102)	–	–	(102)
Currency translation differences	23	633	–	1	69	4,147	4,873
Closing net book amount	9,781	94,405	–	–	6,034	891,473	1,001,693
At December 31, 2023							
Cost	10,418	94,405	–	–	7,970	891,473	1,004,266
Accumulated depreciation	(637)	–	–	–	(1,936)	–	(2,573)
Net book amount	9,781	94,405	–	–	6,034	891,473	1,001,693
Year ended December 31, 2024							
Opening net book amount	9,781	94,405	–	–	6,034	891,473	1,001,693
Additions	509	2,594	–	–	849	715,237	719,189
Depreciation *(Note 6)*	(644)	–	–	–	(1,201)	–	(1,845)
Currency translation differences	(1,332)	(13,279)	–	–	(763)	(208,911)	(224,285)
Closing net book amount	8,314	83,720	–	–	4,919	1,397,799	1,494,752
At December 31, 2024							
Cost	9,438	83,720	–	–	7,696	1,397,799	1,498,653
Accumulated depreciation	(1,124)	–	–	–	(2,777)	–	(3,901)
Net book amount	8,314	83,720	–	–	4,919	1,397,799	1,494,752

	Buildings and infrastructures	Mining development assets	Machinery	Right-of-use assets – office premises	Motor vehicles, computers and office equipment	Construction in progress	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
(Unaudited)							
At January 1, 2024							
Cost	10,418	94,405	–	–	7,970	891,473	1,004,266
Accumulated depreciation	(637)	–	–	–	(1,936)	–	(2,573)
Net book amount	9,781	94,405	–	–	6,034	891,473	1,001,693
Six months ended June 30, 2024							
Opening net book amount	9,781	94,405	–	–	6,034	891,473	1,001,693
Additions	–	439	–	–	574	272,918	273,931
Depreciation	(308)	–	–	–	(566)	–	(874)
Currency translation differences	(338)	(3,431)	–	–	(217)	(42,250)	(46,236)
Closing net book amount	9,135	91,413	–	–	5,825	1,122,141	1,228,514
(Unaudited)							
At June 30, 2024							
Cost	10,043	91,413	–	–	8,235	1,122,141	1,231,832
Accumulated depreciation	(908)	–	–	–	(2,410)	–	(3,318)
Net book amount	9,135	91,413	–	–	5,825	1,122,141	1,228,514
At January 1, 2025							
Cost	9,438	83,720	–	–	7,696	1,397,799	1,498,653
Accumulated depreciation	(1,124)	–	–	–	(2,777)	–	(3,901)
Net book amount	8,314	83,720	–	–	4,919	1,397,799	1,494,752
Six months ended June 30, 2025							
Opening net book amount	8,314	83,720	–	–	4,919	1,397,799	1,494,752
Additions	153	671	1,144	–	1,947	123,342	127,257
Transfer upon completion of construction *(note (b))*	1,299,054	19,405	191,559	–	938	(1,510,956)	–
Depreciation	(18,197)	(739)	(6,153)	–	(564)	–	(25,653)
Written off	–	–	–	–	(412)	–	(412)
Currency translation differences	40,484	5,424	5,826	–	343	37,146	89,223
Closing net book amount	1,329,808	108,481	192,376	–	7,171	47,331	1,685,167
At June 30, 2025							
Cost	1,349,018	109,214	198,503	–	10,520	47,331	1,714,586
Accumulated depreciation	(19,210)	(733)	(6,127)	–	(3,349)	–	(29,419)
Net book amount	1,329,808	108,481	192,376	–	7,171	47,331	1,685,167

Notes:

(a) During the year ended December 31, 2022, the exploration and evaluation assets have been transferred to mining development assets as the technical feasibility and commercial viability of the development of the area of interest was fully completed and the construction and development of the mining properties have substantially commenced.

(b) During the six months ended June 30, 2025, the Group substantially completed the construction of the mining infrastructure of the Boguty tungsten mine in Kazahstan.

(c) Depreciation charges of HK$723,000, HK$1,658,000, HK$1,845,000 and HK$874,000 were included in administrative expenses during the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024, respectively. Depreciation charges of HK$928,000 and HK$24,725,000 were included in administrative expenses and cost of sales, respectively during the six months ended June 30, 2025.

14 SUBSURFACE USE RIGHTS

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
At January 1					
Cost	12,283	11,498	11,683	11,683	10,075
Accumulated amortization	–	–	–	–	–
Net book amount	12,283	11,498	11,683	11,683	10,075
Year ended December 31/Six months ended June 30					
Opening net book amount	12,283	11,498	11,683	11,683	10,075
Amortization *(Note 6)*	–	–	–	–	(69)
Currency translation differences	(785)	185	(1,608)	(422)	181
Closing net book amount	11,498	11,683	10,075	11,261	10,187
At December 31/June 30					
Cost	11,498	11,683	10,075	11,261	10,256
Accumulated amortization	–	–	–	–	(69)
Net book amount	11,498	11,683	10,075	11,261	10,187

15 INVENTORIES

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Finished goods	–	–	–	46,489
Raw materials (consumables, spare parts and others)	–	–	5,367	48,122
Work in progress	–	–	7,574	–
	–	–	12,941	94,611

The cost of inventories amounting to HK$78,100,000 was included in cost of sales during the six months ended June 30, 2025.

16 TRADE RECEIVABLES

The Group's sales of tungsten concentrate are collectible by two instalments of which approximately 70% of the sales amount are generally collectible within a few days after start of delivery and the remaining balance is collectible within 15 days from the issuance of final billing statement to the customers.

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Due from a customer — aging within 3 months based on recognition date	–	–	–	47,087

The carrying amounts of trade receivables approximate their fair values and are denominated in RMB.

No impairment loss has been recognized as the expected credit loss is considered minimal as at June 30, 2025 (Note 3.1(a)).

17 PREPAYMENTS, OTHER ASSETS AND OTHER RECEIVABLES

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Prepayments and other assets				
Included in non-current assets:				
Prepayments to contractors and suppliers	245,541	290,588	116,758	118,635
Deductible value-added tax	24,693	105,737	149,276	174,270
Others	1,230	3,639	2,094	10,801
	271,464	399,964	268,128	303,706
Included in current assets:				
Deferred listing expenses	175	6,393	9,642	14,056
Prepayments to suppliers	2,136	2,073	19,451	17,479
Prepaid insurance fees	1,260	1,429	1,447	2,465
Others	1,057	78	6,304	2,538
	4,628	9,973	36,844	36,538
	276,092	409,937	304,972	340,244
Other receivables				
Included in current assets:				
Interest receivable	416	–	–	–
Others	984	1,454	668	6,839
	1,400	1,454	668	6,839

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Prepaid insurance fees	1,260	1,429	1,447	2,465
Deferred listing expenses	175	6,393	9,642	14,056
Other receivables	416	–	–	–
	1,851	7,822	11,089	16,521

The carrying amounts of other receivables as at December 31, 2022, 2023 and 2024 and June 30, 2025 approximate their fair values.

Other receivables were unsecured, interest-free with no fixed term of repayments.

18 CASH AND CASH EQUIVALENTS

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash at bank and in hand	39,467	476,687	41,440	32,662
Time deposits with original maturities less than three months *(note)*	60,029	–	–	–
	99,496	476,687	41,440	32,662
Denominated in:				
RMB	25,186	871	38,029	21,703
US$	67,327	26,249	141	7,765
KZT	6,136	440	1,014	2,991
EUR	773	449,084	2,246	197
HK$	74	43	10	6
	99,496	476,687	41,440	32,662

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash at bank	31,586	10,574	2,258	9,049
Time deposits with original maturities less than three months *(note)*	60,029	–	–	–
	91,615	10,574	2,258	9,049
Denominated in:				
US$	65,746	7,888	18	7,706
RMB	25,052	192	22	1,180
EUR	743	2,451	2,207	157
HK$	74	43	11	6
	91,615	10,574	2,258	9,049

Note: The effective interest rates of the time deposits with original maturities within three months of the Company for the years ended December 31, 2022 and 2023 are 2.82% and 3.53%, respectively.

19 SHARE CAPITAL

	Number of ordinary shares	Share capital
		HK$'000
Issued and fully paid		
As at January 1, 2022 and December 31, 2022	11,765	267,254
Capital contributions in the year of 2023	–	198,399
As at December 31, 2023 and December 31, 2024 and June 30, 2025	11,765	465,653

The above share capital as at the end of each year comprised of the following registered amounts, which were translated into HK$ at the transaction rate:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
Amount registered in:				
– HK$'000	10	10	465,653	465,653
– RMB'000	220,588	395,588	–	–

Notes:

(i) Pursuant to a resolution of the shareholders' meeting passed on February 15, 2023, the share capital was increased through

(a) capitalization of amounts of RMB75,863,000 (approximately HK$86,006,000) and RMB72,887,000 (approximately HK$82,633,000) due from Ever Trillion and JCHK, respectively; and

(b) contribution by cash of RMB17,500,000 (approximately HK$19,840,000) and RMB8,750,000 (approximately HK$9,920,000) due from CRCCII and CCECC HK, respectively.

These contributions were made by the shareholders based on their respective holdings in the Company's share capital. There was no change in the number of shares.

(ii) Pursuant to a written resolution of shareholders on January 24, 2024, the issued share capital of the Company of HK$10,000 and RMB395,588,000 was converted and redenominated into HK$465,653,000.

(iii) Pursuant to a written resolution of shareholders on August 15, 2025, each ordinary share in issue of the Company be sub-divided into 28,000 ordinary shares immediately before the completion of the Listing (the "Share Subdivision"). Immediately following the Share Subdivision, the Company's number of Shares in issue would be changed from 11,765 to 329,420,000.

20 OTHER PAYABLES AND ACCRUALS

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Construction payables	32,461	67,851	85,545	66,650
Asset retirement obligation	2,505	12,637	13,291	13,530
Listing expense payables	400	8,238	10,058	19,758
Employee benefit payables	2,143	2,228	11,012	7,959
Accrual for loan arrangement fee	9,520	–	–	–
Other taxes payables	9,462	9,241	9,243	7,053
Other accruals	1,663	2,692	4,023	7,294
	58,154	102,887	133,172	122,244
Non-current portion	20,777	70,937	46,708	51,922
Current portion	37,377	31,950	86,464	70,322
	58,154	102,887	133,172	122,244
The Company				
Listing expense payables	400	8,238	10,058	19,758
Employee benefit payables	4	4	9,409	4,442
Accrual for loan arrangement fee	9,520	–	–	–
Other accruals	702	2,049	3,215	1,730
	10,626	10,291	22,682	25,930

The carrying amounts of other payables and accruals as at December 31, 2022, 2023 and 2024 and June 30, 2025 approximate to their fair values.

21 BORROWINGS

The Group and the Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current				
– Secured bank loan denominated in Euro *(Note (a))*	381,346	1,616,687	1,470,386	1,615,989
Current				
– Secured bank loan denominated in Euro – current portion *(Note (a))*	–	3,246	47,408	84,702
– Secured bank loan denominated in RMB *(Note (b))*	–	–	31,170	30,408
– Unsecured bank loan denominated in RMB *(Note (c))*	–	–	106,065	163,984
	–	3,246	184,643	279,094
	381,346	1,619,933	1,655,029	1,895,083

(a) Secured bank loan — Euro

In September 2020, the Company entered into a loan agreement with a bank for a loan facility of EUR188 million for the purpose of financing the costs related to the construction of the Boguty tungsten mine. According to the loan agreement, the draw down period of the loan facility is 2 years from date of the first drawn down, i.e. November 2020. The borrowings carried a fixed interest rate of 1% per annum and an upfront arrangement fee of 1.1% on the amount of loan facility.

Every single drawn down of the borrowings is repayable semi-annually by equal installment, starting from 4th year after the respective dates of drawn down and end of 8th year from the date of first drawn down.

Upon the signing of the loan agreement, the upfront arrangement fee of HK$18,954,000 was accrued and debited as prepayment (Note 17) and treated as a transaction cost when draw-down occur. In November 2022, the Group had not drawn down all the facility within the draw-down period thus the remaining upfront arrangement fee of HK$12,946,000 which is related to the undrawn facility of EUR141,672,000 was charged as finance expense upon the expiry of the draw-down period (Note 9).

On February 14, 2023, the Group entered into a supplemental agreement with the bank to extend the draw down period in respect of the unused facility to November 2023. Any loan drawn down under the supplemental agreement carries a floating rate of Euro short-term rate plus 110 basis point per annum and the other terms remained the same as the original loan agreement.

During the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, bank loans of EUR25,700,000, EUR141,672,000, nil, nil and nil, were drawn down from the above facility, respectively. As at December 31, 2022, 2023 and 2024 and June 30, 2025, committed borrowings from the above facility available to the Group but not drawn amounted to EUR141,672,000, nil, nil and nil, respectively. Details of the guarantee of this loan is disclosed below.

(b) Secured bank loan — RMB

In April 2024, the Company entered into a loan agreement with a bank for a loan facility of RMB92 million to finance the Group's operating activities. According to the loan agreement, the draw down period of the loan facility is 2 years from April 15, 2024. The repayment terms and interest rate will be individually agreed upon each draw-down.

As at December 31, 2024 and June 30, 2025, bank loans of RMB29,328,000 were drawn down from the above facility and committed but unused facility amounted to RMB62,672,000. Details of the guarantee of this loan is disclosed below.

(c) Unsecured bank loan — RMB

In addition, the Company entered into another loan agreement with a bank for a loan facility of RMB150 million to support the Group's construction and operating activities in April 2024. According to the loan agreement, the draw down period of the loan facility is 1 year from April 17, 2024. The repayment terms and interest rate will be individually agreed upon each draw-down. This loan facility is unsecured.

As at December 31, 2024 and June 30, 2025, bank loans of RMB99,798,000 and RMB149,798,000 were drawn down from the above facility, respectively.

(d) Guarantee

Jiangxi Copper Corporation Limited, the parent company of a shareholder of the Company, provided a corporate guarantee to the Company against the outstanding loan balances drawn down from the above two facilities and a guarantee fee of 0.57% per annum on the guaranteed amount is payable to Jiangxi Copper Corporation Limited. At the same time, Ever Trillion, a shareholder of the Company, provided a counter-guarantee to Jiangxi Copper Corporation Limited by providing a charge of its shares in the Company to Jiangxi Copper Corporation Limited. CRCCII and CCECC HK also provided a counter-guarantee to Jiangxi Copper Corporation Limited to the extent of their equity holding in the Company, in respect of the corporate guarantee provided by Jiangxi Copper Corporation Limited. These guarantees arrangement will be released upon Listing.

The fair value of the secured bank loan denominated in Euro as of December 31, 2022, 2023 and 2024 and June 30, 2025 was HK$348,178,000, HK$1,571,456,000, HK$1,483,204,000 and HK$1,587,500,000, respectively, determined directly by references to the price quotation published by the European central bank on the last dealing date of each period. The carrying amounts of other two bank loans approximate their fair values at December 31, 2024 and June 30, 2025.

The Group's borrowings were repayable as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
The Group and the Company				
Within 1 year	–	3,246	184,643	279,094
Between 1 and 2 years	3,759	50,414	201,599	537,813
Between 2 and 5 years	240,951	1,566,273	1,268,787	1,078,176
Over 5 years	136,636	–	–	–
	381,346	1,619,933	1,655,029	1,895,083

22 TRADE PAYABLES

The credit periods granted by suppliers generally within 6 months.

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables denominated in:				
RMB	–	–	–	20,675
Tenge	–	–	–	55,524
Trade payables aging within 3 months	–	–	–	76,199

The carrying amounts of trade payables approximate their fair values.

23 CONTRACT LIABILITIES

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 year	–	–	31,783	165,414

Contract liabilities of the Group primarily represented advance payments received from customers related to contracts with customers while the underlying goods are yet to be provided. No revenue was recognized during six months ended June 30, 2025 that was included in the contract liabilities balance at the beginning of the six months ended June 30, 2025.

24 FINANCIAL INSTRUMENTS BY CATEGORY

The Group

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets – at amortized cost				
Trade receivables	–	–	–	47,087
Cash and cash equivalents	99,496	476,687	41,440	32,662
Other receivables	1,400	1,454	668	6,839
	100,896	478,141	42,108	86,588

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial liabilities – at amortized cost				
Trade payables	–	–	–	20,675
Amounts due to shareholders	185,269	32,268	57,951	69,652
Borrowings	381,346	1,619,933	1,655,029	1,895,083
Other payables and accruals (excluding employee benefit payables, other tax payable and asset retirement obligation)	4,044	78,781	99,627	93,703
Lease liabilities	112	–	–	–
	610,771	1,730,982	1,812,607	2,079,113

The Company

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets – at amortized cost				
Cash and cash equivalents	91,615	10,574	2,258	9,049
Amounts due from subsidiaries	541,048	1,828,574	1,962,715	2,215,387
Other receivables	416	–	–	–
	633,079	1,839,148	1,964,973	2,224,436
Financial liabilities – at amortized cost				
Amounts due to shareholders	185,269	32,268	57,951	69,652
Borrowings	381,346	1,619,933	1,655,029	1,895,083
Other payables and accruals (excluding employee benefit payables and other tax payable)	10,621	10,287	13,273	21,488
	577,236	1,662,488	1,726,253	1,986,223

25 DEFERRED INCOME TAXES

Deferred income taxes are calculated in full on temporary differences under the liability method using the tax rates which are expected to apply at the time of reversal of the temporary differences.

Deferred income tax assets are analyzed as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Deferred income tax assets:				
– to be recovered within 12 months	–	–	–	86,978
– to be recovered after more than 12 months	2,990	4,385	5,241	–
Deferred tax assets and liabilities that have been offset in the statement of financial position	(2,990)	(4,385)	(5,241)	(5,077)
Net deferred income tax assets	–	–	–	81,901

Deferred income liabilities are analyzed as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Deferred income tax liabilities:				
– to be recovered after more than 12 months	(2,990)	(4,385)	(5,241)	(5,077)
Deferred tax assets and liabilities that have been offset in the statement of financial position	2,990	4,385	5,241	5,077
Net deferred income tax liabilities	–	–	–	–

The movements of the deferred income tax assets are as follows:

	Accruals	Tax losses	Total
	HK$'000	*HK$'000*	*HK$'000*
At January 1, 2022	–	–	–
Deferred tax credited to profit or loss	503	2,501	3,004
Currency translation differences	(2)	(12)	(14)
At December 31, 2022	501	2,489	2,990
Deferred tax credited/(charged) to profit or loss	2,143	(798)	1,345
Currency translation differences	11	39	50
At December 31, 2023	2,655	1,730	4,385
Deferred tax credited to profit or loss	514	503	1,017
Currency translation differences	(97)	(64)	(161)
At December 31, 2024	3,072	2,169	5,241
Deferred tax credited to profit or loss	345	81,915	82,260
Currency translation differences	(278)	(245)	(523)
At June 30, 2025	3,139	83,839	86,978

The movements of the deferred income tax liabilities are as follows:

	Difference on tax base and book value of property, plant and equipment	Discounting of long-term payables	Total
	HK$'000	*HK$'000*	*HK$'000*
At January 1, 2022	–	–	–
Deferred tax charged to profit or loss	(2,662)	(342)	(3,004)
Currency translation differences	12	2	14
At December 31, 2022	(2,650)	(340)	(2,990)
Deferred tax charged to profit or loss	(82)	(1,263)	(1,345)
Currency translation differences	(43)	(7)	(50)
At December 31, 2023	(2,775)	(1,610)	(4,385)
Deferred tax charged to profit or loss	(1,400)	382	(1,018)
Currency translation differences	106	56	162
At December 31, 2024	(4,069)	(1,172)	(5,241)
Deferred tax charged to profit or loss	(1,343)	1,037	(306)
Currency translation differences	374	96	470
At June 30, 2025	(5,038)	(39)	(5,077)

26 CASH FLOW INFORMATION

(a) Cash flows from operating activities

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000 (Unaudited)*	*HK$'000*
Loss before income tax	(94,450)	(80,129)	(176,529)	(64,969)	(89,555)
Adjustments for:					
– Depreciation of property, plant and equipment *(Note 13)*	723	1,658	1,845	874	25,653
– Amortization of intangible assets	–	–	–	–	69
– Interest income	(5,293)	(1,908)	(78)	(70)	(19)
– Interest expenses	24,653	4,746	16,918	1,640	19,856
– Foreign exchange losses	32,511	9,555	84,813	30,502	20,520
– Written off of property, plant and equipment	1,225	–	–	–	412
Changes in working capital:					
– Trade receivables	–	–	–	–	(47,087)
– Prepayments, other receivables and other assets	(4,891)	(1,963)	(21,291)	(1,539)	(34,218)
– Trade payables	–	–	–	–	76,177
– Other payables and accruals	(1,985)	5,323	12,326	5,774	(7,082)
– Contract liabilities	–	–	31,783	–	130,197
– Increase in inventories	–	–	(12,941)	–	(79,369)
Cash (used in)/generated from operations	(47,507)	(62,718)	(63,154)	(27,788)	15,554

(b) Reconciliation of liabilities arising from financing activities

	Amounts due to shareholders	Borrowings	Interest payable for borrowings	Lease liabilities	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At January 1, 2022	184,979	180,259	20	241	365,499
Cash flows-principal	–	207,635	–	(103)	207,532
Cash flows-interest	(12,547)	–	(2,610)	(12)	(15,169)
Non-cash	12,837	(6,548)	2,708	(14)	8,983
At December 31, 2022	185,269	381,346	118	112	566,845
Cash flows-principal	11,614	1,194,512	–	(43)	1,206,083
Cash flows-interest	(5,726)	–	(28,632)	–	(34,358)
Non-cash	(158,889)	44,075	30,212	(69)	(84,671)
At December 31, 2023	32,268	1,619,933	1,698	–	1,653,899
Cash flows-principal	15,568	138,369	–	–	153,937
Cash flows-interest	–	–	(62,907)	–	(62,907)
Non-cash	10,115	(103,273)	62,796	–	(30,362)
At December 31, 2024	57,951	1,655,029	1,587	–	1,714,567
(Unaudited)					
At January 1, 2024	32,268	1,619,933	1,698	–	1,653,899
Cash flows-principal	–	407	–	–	407
Cash flows-interest	–	–	(32,207)	–	(32,207)
Non-cash	5,011	(50,094)	32,097	–	(12,986)
At June 30, 2024	37,279	1,570,246	1,588	–	1,609,113
At January 1, 2025	57,951	1,655,029	1,587	–	1,714,567
Cash flows-principal	9,571	29,933	–	–	39,504
Cash flows-interest	(5,447)	–	(28,300)	–	(33,747)
Non-cash	7,577	210,121	28,300	–	245,998
At June 30, 2025	69,652	1,895,083	1,587	–	1,966,322

(c) Reconciliation of the cash flow related to purchases of property, plant and equipment and subsurface use rights

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Additions to:					
Property, plant and equipment *(Note 13)*	210,235	731,139	719,189	273,931	127,256
Adjustments for:					
Increase in prepayment to contractors and relevant tax prepayment	138,526	125,613	(86,826)	51,595	1,819
Increase in construction payables	(25,942)	(54,158)	(20,889)	(63,845)	(3,166)
Capitalization of interest expenses	(5,465)	(48,705)	(179,691)	(39,904)	(105,236)
Discounting of construction payables	305	4,065	15,307	3,648	794
	317,659	757,954	447,090	225,425	21,467

(d) The total cash outflow in financing activities for leases during the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025 was approximately HK$115,000, HK$43,000, nil, nil and nil, including principal elements of lease payments of approximately HK$103,000, HK$43,000, nil, nil and nil and related interest paid of approximately HK$12,000, nil, nil, nil and nil, respectively.

Cash outflow for short-term lease payments during the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025 was approximately HK$894,000, HK$601,000, HK$898,000, HK$282,000 and HK$268,000, respectively.

27 COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital expenditures for property, plant and equipment

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Contracts had been entered into but not brought into the consolidated financial statements	1,159,230	548,646	336,736	145,491

(b) Short-term lease commitments

The Group has short-term lease commitments related to its non-cancellable short-term leases for offices. The future aggregate minimum lease payments under these short-term leases not recognized in lease liabilities are as follows:

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Not later than 1 year	546	473	414	252

(c) Contingent liabilities

During the Track Record Period, the Group did not have any material contingent liabilities.

28 INVESTMENTS IN SUBSIDIARIES

Details of subsidiaries of the Company at December 31, 2022, 2023 and 2024 and June 30, 2025 are as follows:

Name	Place of establishment and nature of legal entity	Paid-in capital	Proportion of issued ordinary capital held				Principal activities	Statutory auditors
			As at December 31			As at June 30,		
			2022	2023	2024	2025		
Directly held:								
Jiaxin (Zhuhai Hengqin) Technology Services Co., Ltd. ("Zhuhai Jiaxin")	People's Republic of China/limited liability company	US$ 3,000,000	100%	100%	100%	100%	Investment holding	N/A
Jiaxin International Resources Investment Limited S.àr.l., ("Jiaxin Luxembourg")	Luxembourg/limited liability company	US$ 20,000	100%	100%	100%	100%	Investment holding	N/A
Indirectly held:								
Aral-Kegen LLP ("Aral Kegen")	The Republic of Kazakhstan/ limited liability partnership	KZT 151,200	99.99%	99.99%	99.99%	99.99%	Investment holding	N/A
Zhetisu Volframy LLP ("ZV") *(note)*	The Republic of Kazakhstan/limited liability partnership	KZT 200,000	97%	97%	97%	97%	Mining in Kazakhstan	Pricewaterhouse-Coopers LLP

Note: On June 20, 2022, Ever Trillion International Singapore PTE Ltd., a company controlled by Liu Zijia, a beneficiary shareholder of the Company, entered into a sale and purchase agreement with Aral Kegen to acquire the 3% equity interest of ZV. The transfer of the 3% equity interest of ZV was completed on July 1, 2023.

29 AMOUNTS DUE FROM SUBSIDIARIES

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due from Jiaxin Luxembourg				
– Loan and interest receivable	437,836	1,725,374	1,721,624	1,979,998
– Others receivables	1,461	1,842	2,102	2,636
Amounts due from ZV				
– Loan and interest receivable	100,631	101,358	238,989	232,753
Amounts due from Zhuhai Jiaxin				
– Other receivables	1,120	–	–	–
	541,048	1,828,574	1,962,715	2,215,387
Less: Current portion	(1,120)	(151,428)	(23)	(26)
Non-current portion	539,928	1,677,146	1,962,692	2,215,361

As at December 31, 2022, 2023 and 2024 and June 30, 2025, the loans due from Jiaxin Luxembourg were unsecured with no fixed term of repayment, and carry interest of 2% per annum for the loans denominated in EUR and 5% per annum for the loans denominated in US$.

As at December 31, 2022 and 2023, the loans due from ZV were denominated in US$, unsecured with no fixed term of repayment, and carry interest of 0.5% per annum.

As at December 31, 2024 and June 30, 2025, the loans due from ZV were unsecured with no fixed term of repayment, and carry interest of 7.5% per annum for the loans denominated in US$ and 5.13% per annum for the loans denominated in RMB.

30 ACCUMULATED LOSSES OF THE COMPANY

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Beginning of the year/period	(105,914)	(186,505)	(257,691)	(257,691)	(201,773)
(Loss)/profit and total comprehensive loss/income for the year /period	(80,591)	(71,186)	55,918	(41,422)	9,890
End of the year/period	(186,505)	(257,691)	(201,773)	(299,113)	(191,883)

31 RELATED PARTY TRANSACTIONS

The following is a summary of significant related party transactions entered into in the ordinary course of business between the Group and its related parties and the balances arising from related party transactions in addition to the related party information shown elsewhere in the historical financial information:

(a) Names and relationships with related parties

The following companies are significant related parties of the Group that had transactions and/or balances with the Group during the Track Record Period.

Name of related parties	Relationship
Liu Liqiang	Director of the Company
Liu Zijia	A beneficiary shareholder of the Company
Jiangxi Copper (Hong Kong) Investment Company Limited ("江西銅業(香港)投資有限公司")	A shareholder of the Company
Ever Trillion International Limited ("恒兆國際有限公司")	A shareholder of the Company
CCECC (H.K.) Limited ("中土工程(香港)有限公司")	A shareholder of the Company
CRCC International Investment Group Limited ("中國鐵建國際投資集團有限公司")	A shareholder of the Company
Jiangxi Copper Corporation Limited ("江西銅業集團有限公司")	The parent company of Jiangxi Copper (Hong Kong) Investment Company Limited, a shareholder of the Company
China Civil Engineering Construction Corporation ("中國土木工程集團有限公司")	The parent company of CCECC (H.K.) Limited, a shareholder of the Company
Zhuhai Huayue investment Company ("珠海市華粵投資有限公司")	An entity jointly controlled by certain directors of the Company
Jiangxi Copper Group Geological Prospecting Engineering Corporation Limited ("江西銅業集團地勘工程有限公司")	A fellow subsidiary of Jiangxi Copper (Hong Kong) Investment Company Limited, a shareholder of the Company
Jiangxi Copper Construction Supervision Consulting Corporation Limited ("江西銅業建設監理諮詢有限公司")	A fellow subsidiary of Jiangxi Copper (Hong Kong) Investment Company Limited, a shareholder of the Company

Name of related parties	Relationship
Jiangxi Copper Group (Lead Mountain) Beneficiation Chemicals Corporation Limited ("江西銅業集團(鉛山)選礦藥劑有限公司")	A fellow subsidiary of Jiangxi Copper (Hong Kong) Investment Company Limited, a shareholder of the Company
Jiangxi Copper Group (Dexing) Foundry Corporation Limited ("江西銅業集團(德興)鑄造有限公司")	A fellow subsidiary of Jiangxi Copper (Hong Kong) Investment Company Limited, a shareholder of the Company
Jiangxi Copper Group (Dexing) Protective Products Co., Ltd. (江西銅業集團(德興)防護用品有限公司)	A fellow subsidiary of Jiangxi Copper (Hong Kong) Investment Company Limited, a shareholder of the Company
Jiangxi Copper Group (Yanshan) Plastic Co., Ltd. (江西銅業集團(鉛山)塑業有限公司)	A fellow subsidiary of Jiangxi Copper (Hong Kong) Investment Company Limited, a shareholder of the Company
Jiangxi Copper Group (Yanshan) Yongtong New Industry Co., Ltd. (江西銅業集團(鉛山)永銅新產業有限公司)	A fellow subsidiary of Jiangxi Copper (Hong Kong) Investment Company Limited, a shareholder of the Company

(b) Transactions and balance with related parties

(i) Guarantee provided by a related company

During the Track Record Period, Jiangxi Copper Corporation Limited provided a guarantee for the Group's borrowings at a fixed guarantee fee of 0.57% per annum as disclosed in Note 21. During the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2024 and 2025, the guarantee fee paid and payable amounted to HK$1,538,000, HK$5,597,000, HK$9,268,000, HK$4,610,000 and HK$4,677,000 respectively. The guarantee provided by Jiangxi Copper Corporation Limited will be released upon Listing (Note 21).

(ii) Contracts for construction and procurement of equipment and mining service entered with a related company

Details of the contracts for construction and procurement of equipment for the development of the tungsten mine in Kazakhstan and mining service entered with China Civil Engineering Construction Corporation as follows:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Contracts entered during the year/period	60,870	171,501	123,988	7,902	–
Construction services paid and payable	249,003	607,057	260,491	227,905	28,673
Payments for procurement of equipment	66,039	148,688	124,165	63,965	–
Payments for procurement of mining service	–	–	3,400	–	44,656

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Contracted but not brought into the consolidated financial statements	1,140,344	535,518	329,473	141,655
Construction payables	30,736	66,255	48,951	65,873
Trade payables	–	–	–	36,302
Prepayments for procurement of equipment and construction services	245,541	288,317	110,639	118,494

(iii) Other transaction with related companies

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Zhuhai Huayue investment Company					
– Rental expense	419	398	390	195	193
Jiangxi Copper Group Geological Prospecting Engineering Corporation Limited					
– Mine exploration and design service fee	–	431	347	–	–
Jiangxi Copper Construction Supervision Consulting Corporation Limited					
– Building-information-modeling system consulting service fee	–	442	–	–	–
Jiangxi Copper Group (Lead Mountain) Beneficiation Chemicals Corporation Limited					
– Purchases of goods	–	–	1,676	–	18,708
Jiangxi Copper Group (Dexing) Foundry Corporation Limited					
– Purchases of goods	–	–	859	–	11,063
Jiangxi Copper Group (Dexing) Protective Products Corporation Limited					
– Purchases of goods	–	–	–	–	593
Jiangxi Copper Group (Yanshan) Plastic Corporation Limited					
– Purchases of goods	–	–	–	–	422
Jiangxi Copper Group (Yanshan) Yongtong New Industry Corporation Limited					
– Purchases of goods	–	–	–	–	97

(iv) Outstanding balances arising from purchases of goods

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Jiangxi Copper Group (Lead Mountain) Beneficiation Chemicals Corporation Limited	–	–	3,242	8,232
Jiangxi Copper Group (Dexing) Foundry Corporation Limited	–	–	3,741	5,879
Jiangxi Copper Group (Lead Mountain) Plastic Corporation Limited	–	–	–	430
Jiangxi Copper Group (Lead Mountain) Yongtong New Industry Corporation Limited	–	–	–	99
	–	–	6,983	14,640

(v) Non-trade balances with related parties

	As at December 31,			As at June 30,
	2022	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Loan from shareholders *(Note i)*				
JCHK	84,796	14,189	14,673	15,111
Ever Trillion	100,232	14,083	30,632	41,149
	185,028	28,272	45,305	56,260
Payable to				
Jiangxi Copper Corporation Limited *(Note ii)*	241	3,996	12,646	13,392
Amounts due to shareholders	185,269	32,268	57,951	69,652

Notes:

(i) Prior to September 8, 2022, the amount due to shareholders was interest free. Pursuant to the shareholders loan agreement entered into among the shareholders and the Company on September 8, 2022, the shareholders loan carries interest payable quarterly at 4% per annum with effect from June 16, 2021. The loans were unsecured and no fixed term of repayment. On February 15, 2023, the loans from JCHK and Ever Trillion HK$82,633,000 and HK$86,006,000, respectively were capitalized as share capital, details of which are disclosed in Note 19.

(ii) As at December 31, 2022, 2023 and 2024 and June 30, 2025, payable to Jiangxi Copper Corporation Limited arose from guarantees payable for the financial guarantee provided to the Group's borrowings. The balance was unsecured, interest-free and repayable on demand. All non-trade balance with related parties are expected to be settled before Listing.

(c) Key management compensation

Key management includes directors and the senior management of the Group. The compensation paid or payable to key management is shown below:

	Year ended December 31,			Six months ended June 30,	
	2022	2023	2024	2024	2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* *(Unaudited)*	*HK$'000*
Fee, wages, salaries and bonuses	9,193	8,545	8,913	3,669	4,253
Pension	597	649	658	73	81
Other social security costs, housing benefits	497	575	489	118	65
	10,287	9,769	10,060	3,860	4,399

32 EVENTS AFTER THE REPORTING PERIOD

Save for disclosed in Note 19, there were no significant events after the end of the Track Record Period that require additional disclosure or adjustments.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Company or any of the companies now comprising the Group in respect of any period subsequent to December 31, 2024 and up to the date of this report.

The following information does not form part of the Accountant's Report from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, the reporting accountant of the Company, as set forth in Appendix I to this prospectus, and is included herein for illustrative purpose only. The unaudited pro forma financial information should be read in conjunction with the section entitled "Financial Information" in this prospectus and the "Accountant's Report" set forth in Appendix I to this prospectus.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group prepared in accordance with Rule 4.29 of the Listing Rules is for illustrative purposes only, and is set out below to illustrate the effect of the Global Offering on the net tangible liabilities of the Group attributable to the owners of the Company as at June 30, 2025 as if the Global Offering had taken place on June 30, 2025.

This unaudited pro forma statement of adjusted consolidated net tangible assets has been prepared for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible liabilities of the Group as at June 30, 2025 or at any future dates following the Global Offering.

	Unadjusted Audited Consolidated Net Tangible Liabilities of the Group attributable to the equity holders of the Company as at June 30, 2025	**Estimated Net Proceeds from the Global Offering**	**Unaudited Pro Forma Adjusted Consolidated Net Tangible Assets Attributable to the equity holders of the Company as at June 30, 2025**	**Unaudited Pro Forma Adjusted Consolidated Net Tangible Assets per Share**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*
	(Note 1)	*(Note 2)*		
Based on an Offer Price of HK$10.92 per Offer Share . . .	(22,856)	1,132,374	1,109,518	2.53

Notes:

(1) The audited consolidated net tangible liabilities of the Group attributable to the equity holders of the Company as at June 30, 2025 is extracted from the Accountant's Report set out in Appendix I to this prospectus, which is based on the audited consolidated net liabilities of the Group attributable to the equity holders of the Company as at June 30, 2025 of approximately HK$22,856,000.

(2) The estimated net proceeds from the Global Offering are based on 109,808,800 Offer Shares and the Offer Price of HK$10.92 per Offer Share, after deduction of the underwriting fees and other related expenses (excluding listing expenses of approximately HK$44,631,000, which have been charged to the consolidated statements of comprehensive loss for the years ended December 31, 2022, 2023 and 2024 and the six months ended June 30, 2025).

(3) The unaudited pro forma adjusted consolidated net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 439,228,800 Shares were in issue, assuming that the Global Offering and Share Subdivision had been completed on June 30, 2025, but does not take into account of any Shares which may be allotted and issued by the Company pursuant to the exercise of the Over-allotment Option, or any Shares which may be issued or repurchased by the Company pursuant to the general mandates granted to the directors to issue or repurchases Shares as described in the section headed "Share Capital" in this prospectus.

(4) No adjustment has been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2025.

B. REPORT FROM THE REPORTING ACCOUNTANT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

pwc 羅兵咸永道

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the Directors of Jiaxin International Resources Investment Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jiaxin International Resources Investment Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at June 30, 2025 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages II-1 and II-2 of the Company's prospectus dated August 20, 2025, in connection with the proposed initial public offering of the shares of the Company (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages II-1 and II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed initial public offering on the Group's financial position as at June 30, 2025 as if the proposed initial public offering had taken place at June 30, 2025. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial information for the period ended June 30, 2025, on which an accountant's report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7, *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars,* ("AG 7") as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

PricewaterhouseCoopers, 22/F Prince's Building, Central, Hong Kong SAR, China
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* as issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, as issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, as issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 as issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed initial public offering at June 30, 2025 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the company, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our work has not been carried out in accordance with auditing standards or other standards and practices generally accepted in the United States of America or auditing standards of the Public Company Accounting Oversight Board (United States) or standards and practices of any professional body in any other overseas jurisdiction and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, August 20, 2025

Final

Independent Technical Report

Boguty Tungsten Project, Almaty Oblast, Republic of Kazakhstan
Jiaxin International Resources Investment Company Ltd

SRK Consulting (Hong Kong) Limited • JIA002 • 20 August 2025

srk consulting

Final

Independent Technical Report

Boguty Tungsten Project, Almaty Oblast, Republic of Kazakhstan

Prepared for:
Jiaxin International Resources Investment Company Ltd
Room 4501, 45th Floor
Office Tower, Convention Plaza
1 Harbour Road,
Wanchai, Hong Kong

Prepared by:
SRK Consulting (Hong Kong) Limited
Suite 1818, 18/F, V Heun Building
138 Queen's Road Central, Central
Hong Kong

+852 2520 2522
www.srk.com

Lead Author:	(Gavin) Heung Ngai Chan	**Initials:**	GC
Reviewer:	Jeames McKibben	**Initials:**	JM

File Name:
JIA002_Boguty Tungsten Project – Independent Technical Report.docx

Suggested Citation:
SRK Consulting (Hong Kong) Limited 2025. Independent Technical Report. Final. Prepared for Jiaxin International Resources Investment Company Ltd: Wanchai, Hong Kong. Project number: JIA002. Issued 20 August 2025.

Acknowledgments

The following consultants have contributed to the preparation of this report.

Role	Name	Professional designation
Coordinating Author	(Gavin) Heung Ngai Chan	BSc, MPhil, PhD, FAIG
Coordinating Author	Alexander Thin	BEng, GDE, FAusIMM(CP), FIMM3 (CEng), FSAIMM, RPEQ
Coordinating Author	Falong Hu	BEng, MAusIMM
Coordinating Author	Lanliang Niu	BEng, MAusIMM
Coordinating Author	Colin Wessels	BSc, Pr.Sci.Nat., SACNASP, SAIEG
Coordinating Author	Nikolai Kirillov	BSc
Coordinating Author	Nargiza Ospanova	BSc, MSc
Contributing Author	(Tony) Shuangli Tang	BSc, PhD, MAusIMM
Contributing Author	Fong Cheuk	BSc, MAIG
Peer Review	Robin Simpson	BSc (Hons), MSc, MAIG
Peer Review	Jane Joughin	MSc, CEnv, MIEMA, Pr.Sci.Nat.
Peer Review	Jeames McKibben	BSc, MBA, MRICS, FAusIMM(CP), MSME
Releasing Authority	(Gavin) Heung Ngai Chan	BSc, MPhil, PhD, FAIG

Disclaimer: The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Hong Kong) Limited (SRK) by Jiaxin International Resources Investment Company Ltd (Jiaxin). The opinions in this Report are provided in response to a specific request from Jiaxin to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

Contents

Useful Definitions . . . III-13

Executive Summary . . . III-25

1 Introduction . . . III-34
1.1 Background . . . III-34
1.2 Scope of work . . . III-35
1.3 Reporting standard . . . III-35
1.4 Work program . . . III-36
1.5 Effective date . . . III-36
1.6 Project team . . . III-36
1.7 Limitations, reliance on information, declaration and consents . . . III-38
1.7.1 Limitations . . . III-38
1.7.2 Legal matters . . . III-38
1.7.3 Reliance on other experts . . . III-38
1.7.4 Source of information . . . III-39
1.7.5 Warranties . . . III-39
1.7.6 Indemnities . . . III-39
1.7.7 Consent . . . III-39
1.7.8 Corporate capability . . . III-40
1.7.9 Stock exchange public report . . . III-40
1.7.10 Statement of SRK independence . . . III-42
1.8 Consulting fees . . . III-42

2 Tungsten . . . III-42
2.1 Tungsten products . . . III-42

3 Project overview . . . III-45
3.1 History and development . . . III-45
3.2 Construction status . . . III-45
3.3 Commissioning targets . . . III-46
3.4 Access . . . III-49
3.5 Climate and physiography . . . III-51
3.6 Seismicity . . . III-54
3.7 Mining rights . . . III-54

4 Geology and Mineral Resources III-55
4.1 Regional geology III-55
4.2 Local geology and mineralisation III-57
4.3 Historical exploration III-60
4.4 FSU and BD exploration programs III-63
4.4.1 Overview III-63
4.4.2 Surveying III-65
4.4.3 Surface trenching III-65
4.4.4 Underground sampling III-67
4.4.5 Surface and underground drilling III-69
4.4.6 Sample preparation and assaying III-70
4.4.7 Sample preparation and assaying III-71
4.4.8 Quality assurance and quality control III-72
4.4.9 SRK verification III-75
4.4.10 Conclusion III-76
4.5 FSU and BD programs data analysis III-77
4.5.1 FSU north and south walls III-77
4.5.2 FSU and BD check sampling III-78
4.5.3 FSU and BD data comparison III-79
4.5.4 FSU and BD data adjustment III-81

5 Mineral Resource estimation III-82
5.1 Introduction III-82
5.2 Mineral Resource estimation procedures III-82
5.3 Historical estimation III-83
5.4 Database compilation and validation III-84
5.4.1 Topographic wireframe III-84
5.4.2 Estimation datasets III-84
5.5 Wireframe modeling III-85
5.6 Exploratory data analysis III-86
5.6.1 Compositing III-87
5.6.2 Capping III-88
5.7 Variogram modeling III-89
5.8 Block model and grade estimation III-90
5.8.1 Block model parameters III-90
5.8.2 Grade estimation III-91

5.9 Model validation . . . III-92
5.10 Classification . . . III-95
5.11 Mineral Resource Statement . . . III-97
5.11.1 Conceptual block cut-off grade . . . III-97
5.11.2 Mineral Resource Statement . . . III-97
5.11.3 Conclusion . . . III-99

6 Mining . . . III-100
6.1 Introduction . . . III-100
6.2 Technical studies . . . III-101
6.3 Geotechnical and hydrological study . . . III-102
6.4 Open pit optimization . . . III-104
6.4.1 Open pit optimization inputs . . . III-105
6.4.2 Open pit optimization results . . . III-107
6.5 Detailed open pit design . . . III-109
6.6 Mining methodology . . . III-113
6.6.1 Material mining . . . III-113
6.6.2 Equipment fleet . . . III-114
6.7 Mine plan . . . III-115
6.7.1 Scheduling strategy and assumption . . . III-115
6.7.2 Life of Mine plan . . . III-117
6.8 Ore Reserve estimates . . . III-119
6.8.1 Ore definition . . . III-120
6.8.2 Modifying Factors . . . III-121
6.8.3 Ore Reserve estimates . . . III-121
6.8.4 Ore Reserve Statement . . . III-123
6.9 Conclusion . . . III-124

7 Mineral processing . . . III-125
7.1 Introduction . . . III-125
7.2 Processing testwork . . . III-126
7.2.1 Test samples . . . III-127
7.2.2 Mineralogical characterization . . . III-128
7.2.3 Crushing and grinding test . . . III-132
7.2.4 Ore sorting test . . . III-133
7.2.5 Flotation test . . . III-137
7.2.6 Flotation product quality . . . III-142
7.2.7 Conclusions and recommendations . . . III-143

7.3 Processing plant . . . III-144
7.3.1 Production capacity and work system . . . III-144
7.3.2 Product plan and designed processing parameters . . . III-144
7.3.3 Mineral processing flowsheet . . . III-145
7.3.4 Processing facilities and equipment . . . III-149
7.3.5 Reagent and material consumption . . . III-152
7.3.6 Trial production and future production plan . . . III-152
7.3.7 Conclusions and recommendations . . . III-153

8 Infrastructure . . . III-155
8.1 Introduction . . . III-155
8.2 Power supply . . . III-155
8.3 Water supply . . . III-157
8.4 Accommodation camp . . . III-161

9 Tailings storage facility . . . III-162
9.1 Introduction . . . III-162
9.2 Construction status . . . III-163
9.3 Phase 1 TSF characteristics . . . III-164
9.4 Tailings characteristics . . . III-165
9.5 Volumetric assessment . . . III-166
9.6 TSF monitoring . . . III-168
9.7 TSF foundations . . . III-168
9.8 Conclusion and recommendations . . . III-168

10 Tungsten market and macroeconomics . . . III-169
10.1 Introduction . . . III-169
10.2 Demand . . . III-169
10.3 Supply . . . III-170
10.4 Historical prices . . . III-171
10.5 Exchange rates . . . III-172
10.6 Forecast prices . . . III-174
10.7 Customers and sales . . . III-175

11 Capital and operating costs . . . III-175
11.1 Capital cost . . . III-175
11.2 Operating cost . . . III-177
11.3 Economic viability assessment . . . III-182

12 Environmental and Social . . . III-184
12.1 Introduction . . . III-184
12.2 Legal and regulatory framework . . . III-184
12.2.1 Subsoil law and subsoil code . . . III-184
12.2.2 Land tenure legislation . . . III-185
12.3 Taxation . . . III-186
12.3.1 Environmental and social obligations . . . III-186
12.3.2 Closure obligations . . . III-187
12.3.3 Permitting . . . III-188
12.3.4 Labor protection and occupational health and safety . . . III-189
12.4 Mining rights . . . III-190
12.4.1 EIAs and approvals . . . III-192
12.4.2 Land use approval and surface rights . . . III-193
12.4.3 Environmental and special water use permits . . . III-194
12.5 Stakeholder engagement . . . III-194
12.5.1 Environmental and social obligations . . . III-195
12.5.2 Closure liabilities . . . III-196
12.5.3 Other regulatory requirements . . . III-196
12.5.4 Biodiversity and protected areas . . . III-196
12.5.5 Cultural heritage . . . III-197
12.6 Recommendations . . . III-197
12.6.1 Change in legal requirements in Kazakhstan . . . III-197
12.6.2 Biodiversity . . . III-198
12.6.3 Closure plan and liability estimate . . . III-198
12.6.4 Mine waste geochemistry . . . III-198
12.6.5 Climate change mitigation . . . III-199
12.6.6 Cultural heritage . . . III-199
12.6.7 Stakeholder engagement . . . III-200

13 Strategic Development Plan . . . III-200

14 Conclusion . . . III-201

15 Risk Assessment . . . III-203

References . . . III-210

Tables

Table 1.1:	Details of the qualifications and experience of the project team	III-37
Table 1.2:	Public reports prepared by SRK for disclosure on the HKEx	III-41
Table 3.1:	Boguty mining licence coordinates	III-54
Table 4.1:	Summary of historical exploration	III-61
Table 4.2:	List of BD trench ID and their corresponding FSU trench ID and sampling intervals	III-65
Table 4.3:	List of BD cross-cut ID and their corresponding FSU cross-cut ID and sampling intervals	III-67
Table 4.4:	Details of BD drill holes	III-69
Table 4.5:	Redrilled (twinned) holes	III-70
Table 4.6:	Specific gravity of major rock types	III-71
Table 4.7:	List of CRMs used in the BD program	III-74
Table 4.8:	Basic statistics for composites of BD and FSU datasets	III-80
Table 5.1:	Historical resource estimates	III-84
Table 5.2:	Summary of database used for Mineral Resource estimation	III-84
Table 5.3:	Parameters used for grade shells generation by RBF	III-85
Table 5.4:	Basic statistics for WO_3 in the estimation dataset within all domains	III-86
Table 5.5:	Basic statistics for composite values — Resources Domain	III-87
Table 5.6:	Summary of block model parameters — Resources Domain	III-91
Table 5.7:	Parameters used for Mineral Resource estimation	III-91
Table 5.8:	Global resource within the Resources Domain	III-94
Table 5.9:	Mineral Resource classification criteria used in estimation	III-96
Table 5.10:	Cut-off estimation based on conceptual economic analysis	III-97
Table 5.11:	Mineral Resource Statement — Boguty Project — as at 30 June 2025	III-98
Table 6.1:	Geotechnical slope design parameters	III-103
Table 6.2:	Summary of pit optimization input parameters	III-105
Table 6.3:	Summary of open pit optimization results on Revenue Factor	III-108
Table 6.4:	Summary of bench-by-bench materials within the open pit design ...	III-111
Table 6.5:	Comparison of design versus Whittle shell	III-112
Table 6.6:	Heavy mining equipment fleet during peak production	III-114
Table 6.7:	Target processing plant throughput	III-115
Table 6.8:	Summary of LOM	III-119
Table 6.9:	Estimates of MCOG for tungsten ore	III-120
Table 6.10:	Summary of Ore Reserve conversion process	III-121
Table 6.11:	Ore Reserve Statement — Boguty Tungsten Project as at 30 June 2025	III-123
Table 7.1:	List of metallurgical and processing studies	III-127
Table 7.2:	Metallurgical test samples	III-128
Table 7.3:	Test sample chemical composition	III-128
Table 7.4:	Test sample mineralogy	III-129
Table 7.5:	Tungsten phase analysis	III-129
Table 7.6:	Relative ore grindability	III-132

Table 7.7:	Results on JK drop weight test	III-133
Table 7.8:	Results on Bond ball mill work index test	III-133
Table 7.9:	Results from Hollister's ore sorting test	III-134
Table 7.10:	Results from HPY's ore sorting test	III-135
Table 7.11:	GNMRI's ore sorting test results	III-136
Table 7.12:	Results of DMS test	III-136
Table 7.13:	Results on closed circuit rougher flotation	III-140
Table 7.14:	Results on heated cleaner of rougher concentrate	III-140
Table 7.15:	Results on complete closed circuit flotation flowsheet	III-140
Table 7.16:	Ambient temperature and heated cleaning flotation results	III-141
Table 7.17:	Chemical composition of flotation product	III-142
Table 7.18:	Designed processing parameters	III-144
Table 7.19:	Target throughput	III-145
Table 7.20:	Major processing equipment	III-150
Table 7.21:	Reagents and material consumption	III-152
Table 8.1:	Power load analysis summary	III-156
Table 8.2:	Major equipment's power load	III-156
Table 8.3:	Water balance for the Project	III-158
Table 9.1:	Phase 1 TSF design characteristics	III-164
Table 9.2:	Tailings composition	III-165
Table 9.3:	TSF main design parameters	III-166
Table 10.1:	Forecast commodity price assumptions	III-174
Table 11.1:	Historical and forecast capital cost (RMB million)	III-176
Table 11.2:	Actual operating cost (January-June 2025)	III-177
Table 11.3:	Operating cost forecast (real)	III-179
Table 11.4:	Post-tax NPVs at various discount rates (nominal, RMB million)	III-182
Table 11.5:	Post-tax NPV sensitivity analysis at 10% discount rate (nominal, RMB million)	III-183
Table 12.1:	Key environmental and social conditions in the Subsoil Use Contract and subsequent addenda	III-190
Table 12.2:	EIAs and approvals	III-192
Table 12.3:	Land use approval rights and their designation	III-193
Table 15.1:	Risk assessment matrix	III-203
Table 15.2:	Project risk assessment	III-204

Figures

Figure 1.1:	Location map of the Project	III-34
Figure 2.1:	Tungsten concentrate and its secondary products	III-44
Figure 3.1:	Timeline of major development milestones at the Project	III-47
Figure 3.2:	Development status as at June 2025	III-48
Figure 3.3:	Project location	III-49
Figure 3.4:	Trans-Caspian International Transport Route	III-50
Figure 3.5:	Natural environment and communities near the Project	III-52
Figure 3.6:	Location of Project area relative to catchments towards the Ili River	III-53
Figure 3.7:	Mining licence projected on satellite image	III-55
Figure 4.1:	Regional tectonic setting of the Kazakhstan Orocline, western Central Asian Orogenic Belt	III-56
Figure 4.2:	Tectonic model of the Kazakhstan Orocline	III-56
Figure 4.3:	Quartz-scheelite veins cutting through sandstone	III-58
Figure 4.4:	Fluorescent scheelite grains observed on the adit wall under ultraviolet light	III-59
Figure 4.5:	Geology and schematic cross section of the Project area	III-60
Figure 4.6:	Adits development — FSU program	III-63
Figure 4.7:	Surface trenches across the deposit — FSU program	III-64
Figure 4.8:	Surface drill hole and drill core storage — BD program	III-64
Figure 4.9:	Surface exploration works	III-66
Figure 4.10:	Main drifts, cross-cuts and interpreted geology in Adits 5-7	III-68
Figure 4.11:	BD duplicates	III-72
Figure 4.12:	BD blanks	III-73
Figure 4.13:	BD CRMs	III-74
Figure 4.14:	SRK check samples	III-75
Figure 4.15:	Comparison of different assay data along Cross-cut 522	III-77
Figure 4.16:	Comparison of average grades in FSU and BD trench and adit samples	III-78
Figure 4.17:	Intersection grade shell and >0.08% WO_3 composites in the comparison	III-79
Figure 4.18:	Q-Q plot of FSU and BD datasets	III-80
Figure 4.19:	Q-Q plot of comparison dataset after adjustment	III-81
Figure 5.1:	General relationship between Exploration Results, Mineral Resources and Ore Reserves	III-82
Figure 5.2:	Geological model defined by SRK	III-85
Figure 5.3:	Resources Domain defined by SRK	III-86
Figure 5.4:	Frequency statistics on composites and raw samples — Resources Domain	III-88
Figure 5.5:	Capped composites frequency	III-89
Figure 5.6:	Variogram map and fitted model — Resources Domain	III-90
Figure 5.7:	Swath plot along east-west direction	III-92
Figure 5.8:	Swath plot along north-south direction	III-93
Figure 5.9:	Swath plot along elevation direction	III-93
Figure 5.10:	3D view — Resources Domain	III-94
Figure 5.11:	Cross section — Resources Domain	III-94

Figure 5.12:	Grade-tonnage curve	III-95
Figure 5.13:	Mineral Resource classification in 3D view	III-96
Figure 5.14:	Mineral Resource distribution within conceptual pit shell	III-98
Figure 6.1:	Open pit area	III-100
Figure 6.2:	Geotechnical domains	III-103
Figure 6.3:	Predicted groundwater inflows to planned Boguty open pit	III-104
Figure 6.4:	Isometric view of geotechnical domains	III-107
Figure 6.5:	Whittle optimization results	III-108
Figure 6.6:	Plan view of pit design	III-110
Figure 6.7:	Isometric view of design open pit versus Whittle shell	III-112
Figure 6.8:	Bench-by-bench materials within the open pit design	III-113
Figure 6.9:	Isometric view of pushbacks in LOM plan	III-116
Figure 6.10:	TMM schedule over LOM	III-117
Figure 6.11:	Plant feed schedule over LOM	III-118
Figure 6.12:	ROM pad balance over LOM	III-118
Figure 6.13:	Waterfall chart of mining inventory	III-122
Figure 6.14:	Waterfall chart of contained WO_3	III-122
Figure 7.1:	Processing plant complex	III-126
Figure 7.2:	Scheelite grain size distribution	III-132
Figure 7.3:	Flowsheet on closed circuit flotation test	III-139
Figure 7.4:	Crushing and ore sorting flowsheet	III-147
Figure 7.5:	Grinding and rougher flowsheet	III-148
Figure 7.6:	Cleaner and concentrate dewatering flowsheet	III-149
Figure 8.1:	Water pipeline route for the Project	III-159
Figure 8.2:	Water source in Charyn River and water withdrawal pumps	III-160
Figure 8.3:	Primary and secondary booster pump stations	III-160
Figure 8.4:	Temporary accommodation camp	III-161
Figure 8.5:	Earthworks for permanent accommodation camp	III-162
Figure 9.1:	Schematic cross section of TSF embankment showing Phase 1, Phase 2 and Phase 3 embankment raises	III-162
Figure 9.2:	TSF	III-163
Figure 9.3:	TSF storage capacity curve	III-167
Figure 9.4:	TSF volumetric models for Phase 1, Phase 2 and Phase 3	III-167
Figure 10.1:	Global tungsten demand	III-170
Figure 10.2:	Global tungsten concentrate supply	III-171
Figure 10.3:	Historical global and China tungsten concentrate and APT prices	III-172
Figure 10.4:	Historical exchange rates against the KZT between 2014 and 2024	III-173
Figure 10.5:	Historical US$/RMB exchange rate between 2014 and 2024	III-173
Figure 11.1:	Post-tax NPV sensitivity analysis at 10% discount rate (nominal, RMB million)	III-183

Appendices

Appendix A	List of trenches
Appendix B	List of cross-cuts in adits
Appendix C	Table 1 — JORC Code 2012

Useful Definitions

This list contains definitions of symbols, units, abbreviations, and terminology that may be unfamiliar to the reader.

%	per cent
°C	degrees Centigrade
µm	microns
2017 FS	Feasibility study on the Boguty tungsten mine, Kazakhstan based on 10,000 tpd mining capacity, dated December 2017
2019 FS	Feasibility study on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in the first 2 years), dated August 2019
AIG	Australian Institute of Geoscientists
AK	Aral-Kegan LLP
ALS Chita	ALS Chita, Russia
ALS GZ	ALS Guangzhou, China
ANTAL	ANTAL Design Institute
APT	ammonium paratungstate
ARDML	acid rock drainage and metal leaching
ARO	Asset Retirement Obligation
ATV	acoustic televiewer
AusIMM	Australasian Institute of Mining and Metallurgy
BAT	best available technology
BD	Behre Dolbear Asia, Inc.
BD program	BD exploration program carried out in 2014-2015

BGRIMM	Beijing General Research Institute of Mining and Metallurgy Technology Group
CCECC	China Civil Engineering Construction Corporation
CGAR	compound annual growth rate
CRMs	certified reference materials
CY	calendar year
DMS	dense media separation
DTH	down-the-hole hammer
EGSU	Unified State System of Subsoil Use
EIA	environmental impact assessment
EITI	Extractive Industries Transparency Initiative
ENFI	China ENFI Engineering Co., Ltd
EOM	end-of-month
EPCM	Engineering, Procurement and Construction Management
F&S	Frost & Sullivan
FSU	former Soviet Union
FSU program	Former Soviet Union exploration program carried out in 1969-1974
GKZ	National Reserve Committee of Soviet Union
GNMRI	Ganzhou Nonferrous Metallurgy Research Institute
GPS-RTK	global positioning system-real time kinematic
GT PFS	Hydro-geotechnical Pre-feasibility study for Boguty Tungsten Project, dated August 2023
HKEx	Hong Kong Stock Exchange

Hollister	Beijing Hollister Technology Co., Ltd.
HPY	Ganzhou HPY Technology Co. Ltd.
HRI	Hunan Research Institute of Non-Ferrous Metals
HW	a liquid oleic acid collector
ICP-OES	inductively coupled plasma-optical emission spectroscopy
IFRS	International Financial Reporting Standards
Initial development	By 2026, the Project will complete initial development and have capacities of processing 3.3 Mtpa ore in Phase I and increase to 4.95 Mtpa ore in Phase II
Intertek	Intertek Beijing
IPO	initial public offering
ITR (Report)	Independent Technical Report
Jiaxin (Company)	Jiaxin International Resource Investment Company Ltd
JORC Code	2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves
JV	joint venture
k	thousand
km	kilometres
kt	kilotonnes
kV	kilovolts
kVar	kilovolt-amperes reactive
kW	kilowatts

kWh	kilowatt-hours
kWh/t	kilowatt-hours per ton
KZT	Kazakhstan Tengi
LMMEDI	Luoyang Mining and Mechanical Engineering Design Institute Co., Ltd.
LOI	loss on ignition
LOM	life-of-mine
LTP	long term price
m	metres
M	million
m/s	metres per second
m^3/d	cubic metres per day
m^3/h	cubic metres per hour
Ma	million years ago
MCOG	marginal cut-off grade
MENR	Ministry of Ecology and Natural Resources of the Republic of Kazakhstan
MET	Mineral Extraction Tax
MIC	Ministry of Industry and Construction of Kazakhstan
MID	Ministry of Investments and Development of Kazakhstan
mm	millimetres
Mm^3	million cubic metres
mRL	metres reduced level

Mt	million tonnes
Mtpa	million ton per annum
MW	megawatts
NEV	new energy vehicle
OK	Ordinary Kriging
OSA	overall slope angle
OTV	optical televiewer
PFS	pre-feasibility study
Preliminary Design	Preliminary design on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in the first 2 years), dated June 2020
PV	photovoltaic
QAQC	quality assurance and quality control
QKNA	Quantitative Kriging Neighbourhood Analysis
Q-Q plot	quantile-quantile plot
RBF	radial basis function
RMB	Renminbi
ROM	run-of-mine
RPEEE	reasonable prospects for eventual economic extraction
SD	standard deviation
SGS	SGS Vostok Laboratory, Russia
SRK Group	SRK Global Limited
SRK	SRK Consulting (Hong Kong) Limited

t/m^3	tonnes per cubic meter
TCITR	Trans-Caspian International Transport Route
the Project	Boguty Tungsten Project
TMM	total material movement
tpd	ton per day
TSF	tailings storage facility
US$	United States dollar
UV	ultraviolet
V	volts
VALMIN Code	2015 edition of the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets*
VAT	value-added tax
VNIItsvetmet	Kazakhstan Eastern Mining and Metallurgical Research Institute for Non-ferrous Metals
W	tungsten
WC	tungsten carbide
Whittle	Lerchs-Grossman 3D routine in Whittle software
WO_3	tungsten trioxide
WRD	waste rock dump
Zhetisu	Zhetisu Volframy LLP

Term	Meaning
ammonium paratungstate (APT)	A white crystalline powder containing a high concentration of tungsten used as a feedstock for tungsten oxide
bulk density	Property of mineral components, defined by the weight of an object or material divided by its volume, including the volume of its pore spaces
certified reference material (CRM)	A standard material with known concentration of different elements inserted during laboratory analysis to determine the precision of assay results
cleaner	Collection of target mineral(s) from the rougher concentrate
collector	A reagent used in flotation to improve the hydrophobic ability and collect the desired mineral(s)
concentrate	Saleable products after processing
depressant	A reagent to increase the surface hydrophilicity of the desired materials and depressing their floating ability
drill core	A solid, cylindrical sample of rock produced by an annular drill bit, generally rotatively driven but sometimes cut by percussive methods (drill core is extracted from a drill hole)
drill hole	A hole drilled in the ground by a drill rig, usually for exploratory purposes to obtain geological information and to allow sampling of rock material
environment impact assessment (EIA)	A comprehensive analysis of the environmental consequences of a mining or construction project
exploration	Activities undertaken to prove the location, volume and quality of a deposit
fault	A fracture or fracture zone in rock along which movement has occurred
feed ore	Mined rock delivered to the processing plant

Term	Meaning
flotation	A processing method to selectively separating desired minerals from gangue minerals by applying different reagents by flotation
fold	A bend or flexure in a rock unit or series of rock units that has been caused by crustal movements
formation	A body of rock having a consistent set of characteristics (lithology) that distinguish it from adjacent bodies of rock
granite	An acidic intrusive rock with more than 63% SiO_2; source of hydrothermal fluids contributing to scheelite mineralisation at the Project
hauling	The drawing or conveying of the product of the mine from the working places to the bottom of the hoisting shaft, or slope
Indicated Resource	That part of a mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence
Inductively coupled plasma optical emission spectroscopy (ICP-OES)	An analytical technique used for the detection of chemical elements by various wavelengths of light
Inferred Resource	That part of a mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence, sampling and assumed but not verified geological and/or grade continuity
JORC Code	*Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC) in 2012

Term	Meaning
Measured Resource	Part of the Mineral Resource(s) for which quantity, grade (or quality), densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. A Measured Resource has a higher level of confidence than that applying to either an Indicated Resource or an Inferred Mineral Resource
Mineral Resource	A concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction'. Mineral Resources are classified as Measured, Indicated and Inferred according to the degree of geological confidence
Modifying Factors	Modifying Factors are considerations used to convert Mineral Resources to Ore Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors
Ore Reserve	The economically mineable part of a measured and/or indicated mineral resource(s), which include(s) diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified
ore sorting	An ore pre-concentration method to reject waste from crushed ore before feeding to the extraction plant so as to improve the feed grade
overburden	A mixture of weathered rocks and soils generated during the mining process
payback period	The amount of time required to recoup the initial capital cost

Term	Meaning
pilot test	Processing test using a higher volume of ore sample and industrial equipment carried out for a longer run time
Probable Ore Reserve(s)	The economically mineable part of Indicated Resource(s) within the pit. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve
Proved Ore Reserve(s)	The economically mineable parts of the Measured Resources, which include diluting materials and allowances of losses. A Proved Ore Reserve implies a high degree of confidence in the Modifying Factors
quality assurance and quality control (QAQC)	Combination of methods and procedures used to measure the quality of the analytical results
regulator	A reagent used in flotation to control the acidity
rougher	Initial collection of target mineral(s) in the processing operation
Run-of-mine (ROM)	Ore being mined prior processing
scavenger	Minerals that are attached to the gangue minerals and could not be further processed; such minerals are pumped away to a previous stage for re-processing or treated as tailings
scheelite	Principal ore mineral of the Project with chemical formula of $CaO{\cdot}WO_3$ exhibiting fluorescent under ultraviolet light
sedimentary rock	A rock formed from the accumulation and consolidation of sediment, usually in layered deposits and which may consist of rock fragments of various sizes, remains or products of animals or plants, products of chemical action or of evaporation, or mixtures of these
shale	A fine-grained sedimentary rock, formed from mud that is a mix of clay and silt

Term	Meaning
siltstone	A fine- to medium-grained sedimentary rock that is composed mostly of silt
specific gravity	The ratio of material's mass to the mass of an equal volume of water
strike	Direction of line formed by intersection of a rock surface with a horizontal plane. Strike is always perpendicular to direction of dip
stripping ratio	The ratio between the volume of waste material required to be handled in order to extract ore
swath plot	A swath plot shows the average grade for the blocks in the swath, along with the average sample values in the swath. Swath plots are a common validation tool for providing comparisons between sample points and estimated values to identify any potential bias
Table 1, the JORC Code	A checklist during the preparation of this Report; any comments are provided on an 'if not, why not' basis to ensure clarity to an investor on whether aspects of the future development program have been considered as they apply to the JORC Code (2012) Table 1
tailings	Rejects produced after processing may pumped back to a previous stage for re-processing
tungsten	An element with the symbol W and atomic number 74; target element of the Project
tungsten carbide powder (WC)	Main raw material in the manufacturing of cemented carbide
tungsten trioxide (WO_3)	A chemical compound of tungsten and oxygen with formula WO_3 that may be found in the minerals wolframite, scheelite and tungstite
Ulkenboguta Formation	A sedimentary rock unit deposited in the Ordovician; mineralised quartz stockworks and veinlets are hosted in this unit

Term	Meaning
vein	Sheet-like body of minerals formed by fracture filling or replacement of lost rock
waste	The part of an ore deposit that is too low in grade to be of economic value at the time of mining, but which may be stored separately for possible treatment later
wireframe	A skeletal three-dimensional model in which only lines and vertices are represented, a preliminary stage used in preparing a full three-dimensional model
return water	Water used in processing and recycled back to the processing circuit

EXECUTIVE SUMMARY

SRK Consulting (Hong Kong) Limited (SRK) is an associate company of the international group holding company, SRK Global Limited (the SRK Group). SRK was commissioned by Jiaxin International Resources Investment Company Ltd (Jiaxin, hereinafter also referred to as the Company) to prepare an Independent Technical Report (ITR, or the Report) on the Boguty Tungsten Project located in Kazakhstan (the Project).

SRK understands that this ITR will be included in a prospectus relating to an initial public offering (IPO) of shares in the Company and associated capital raising on the Hong Kong Stock Exchange (HKEx). SRK's ITR is to be prepared in accordance with the HKEx Listing Rules.

Scope of work

The scope of work includes a review and reporting on the following technical disciplines:

- Geology and Mineral Resources
- Mining and Ore Reserves
- Mineral processing
- Tailings
- Infrastructure
- Environmental and social
- Capital and operating costs.

A risk assessment has also been included.

Reporting standards

The authors of this Report are either Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and therefore are bound by both the VALMIN Code and JORC Code. For the avoidance of doubt, this Report has been prepared according to:

- the 2015 edition of the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code)
- the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code).

Work program

SRK's work program included a review of the provided information, site visits by SRK personnel at various intervals between 2018, 2024 and 2025, estimation of the Mineral Resource and Ore Reserve, and preparation of this Report.

History and development

The Boguty tungsten deposit was discovered in 1941 and prospected by various parties until 1969. From 1969 to 1974, the Geological Survey of South Kazakhstan, a former Soviet Union (FSU) organization, conducted systematic exploration, including diamond drilling, trenching and extensive underground development (hereafter the FSU program). From 2014 to 2015, Behre Dolbear Asia, Inc. (BD) was commissioned by Jiaxin to conduct a validation program to verify the previous exploration results (hereafter known as the BD program).

In November 2015, Jiaxin acquired indirect control over Zhetisu Volframy LLP (Zhetisu), the entity holding the mining rights to the Project, through the acquisition of Aral-Kegen LLP (AK).

Between 2015 and 2019, several technical and techno-economic studies including feasibility studies, metallurgical testwork and ore sorting testwork were undertaken by various Chinese research institutes. In June 2020, a preliminary design (the Preliminary Design) was jointly completed by China ENFI Engineering Co., Ltd (ENFI) and the Kazakhstan Eastern Mining and Metallurgical Research Institute for Non-ferrous Metals (VNIItsvetmet), an affiliate of the National Center for Complex Processing of Mineral Raw Materials of the Republic of Kazakhstan.

The Preliminary Design encompassed the design and evaluation of mining, processing and auxiliary facilities at the Project. VNIItsvetmet and ANTAL Design Institute (ANTAL) were responsible for the design and evaluation of power and water supply, tailing storage facility (TSF) and various environmental impact assessments (EIAs) for the Project.

In May 2021, full-scale construction of the Project commenced, with China Civil Engineering Construction Corporation (CCECC) appointed as the primary contractor.

In September 2023, a significant milestone was achieved with the completion of pre-stripping, preparing the site for the start of commercial mining operations.

By July 2024, construction of the processing plant complex was completed, equipment was installed and set-up of facilities were largely was largely completed, initial testing of the processing plant equipment began and the 22 km-long water pipeline, supplying water to the mine, was completed.

In late October 2024, high-voltage power lines were completed, connecting the Project to the 30 MW power grid, and commercial mining operations officially commenced.

In November 2024, trial processing commenced.

In November 2024, the TSF was put into operation.

The installation of the processing plant and auxiliary equipment as well as access to water and the main grid power and subsequent testing were completed by the second half of CY2024.

The trial production phase, which allows for the testing and fine-tuning of the processing operation, commenced in November 2024. The construction and testing of the boiler heating system for the processing plant was completed in February 2025.

Commercial production commenced in April 2025, and the plant is expected to enter the Phase I production phase, targeting an annual throughput of 3.3 Mt of ore.

Commissioning targets

In the second half of CY2026, the target processing throughput will increase as the ore sorting system is integrated into the current flowsheet.

From the first quarter of CY2027, the plant will enter the Phase II commercial production phase, aiming to achieve a target annual throughput of 4.95 Mt of ore.

Mining rights

The mining rights of the Project are covered by Subsoil Use Contract No. 4608-TPI and three subsequent addenda. The current owner of the Subsoil Use Contract is Zhetisu Volframy LLP (Zhetisu), which is held by Jiaxin's subsidiaries.

The mining rights cover an area of 1.16 km^2 and permit the exploitation of the resource up to a maximum depth of 300 m below the surface. The mining rights were issued by the Ministry of Investments and Development of Kazakhstan (MID) (a predecessor of the Ministry of Industry and Construction of Kazakhstan, MIC). The licence is valid from 2 June 2015 to 2 June 2040, a period of 25 years.

Geology and Mineral Resources

The Project area is located in the southern part of the Boguty Syncline, a regionally significant fold structure which was formed during the Late Ordovician. The core of this fold consists of sandstone, siltstone and shale units belonging to the Middle and Upper Members of the Ordovician Ulkenboguta Formation while the fold limbs host Upper Palaeozoic volcanic rocks. The Boguty Syncline has been cut by a granitic body that was emplaced along a series of north-trending faults. Tungsten-bearing hydrothermal fluids associated with this granitic intrusion resulted in the development of quartz-scheelite veins within the siltstone and sandstone units of the Ulkenboguta Formation. These quartz-scheelite veins range in length from a few centimetres to tens of centimetres and occur as stockworks and veinlets. These centimeter-scale veins commonly occur as conjugate sets, cutting through the sediments. Disseminated scheelite veins/blebs also occur in the surrounding host sediments.

The known mineralisation extends over a length of approximately 2,000 m in a northeast direction and has a lateral extent of 400 m towards the east. It dips subvertically to the northwest, having been tested to a maximum depth of 500 m below the surface. The number of quartz veins and association mineralisation appear to diminish when mineralisation extends into the younger shale sequence and finer-grained, siliceous sediments of the Upper Member of the Ulkenboguta Formation.

The primary ore mineral is scheelite (chemical formula: $CaWO_4$), accompanied by wolframite ($[Fe, Mn]WO_4$) and tungstite ($WO_3{\cdot}H_2O$). Scheelite occurs as small grains within quartz. The distribution and occurrence of scheelite mineralisation exhibit highly irregular patterns. Scheelite is predominantly observed as minute grains enclosed within quartz and brecciated quartz fragments. Other minerals, including pyrite (FeS_2), haematite (Fe_2O_3), chalcopyrite ($CuFeS_2$), spherite ([Zn, Fe]S), molybdenum (Mo) and galena (PbS) are also occasionally present.

The Project area has been explored by various parties since the discovery of potentially economic quantities of tungsten mineralisation in 1941. During the period between 1969 and 1974, the FSU completed an extensive exploration program including geological mapping, approximately 12,177 m of surface drilling, 7,440 m of underground drilling, excavation of 30,690 m^3 of surface trenches and collection of 19,943 m of surface channel samples. Three levels of adits, measuring a total of 12,987 m, were also developed. A total of 17,576 m channel samples from the adit walls were subsequently collected. Geotechnical, hydrological and metallurgical studies were also conducted.

In 2014-2015, Jiaxin commissioned BD to undertake a verification program (known as the BD program) to verify the results of the earlier FSU program. In 2018, SRK inspected the exploration work conducted by the BD and FSU programs.

In 2022, SRK further undertook an independent verification program on the samples collected during the BD program. The independent check assay program completed by SRK demonstrated a very good reproducibility compared to the BD results. However, a comparison of the FSU and BD datasets shows an apparent systematic positive bias in the FSU results. The FSU data have therefore been adjusted through a regression formula. Based on the adjusted and verified datasets, SRK completed geological modeling and prepared a Mineral Resource estimate.

The tungsten Mineral Resource for the Project, constrained by the mining licence and the latest topography as at 30 June 2025 and reported in accordance with the JORC Code (2012), is presented in Table ES.1.

Table ES.1: Mineral Resource Statement — Boguty Project — as at 30 June 2025

Classification	Tonnage (Mt)	Grade (WO_3 %)	Contained WO_3 (kt)
Indicated	95.6	0.209	200.3
Inferred	11.9	0.228	27.0
Total	**107.5**	**0.211**	**227.3**

Source: SRK

Notes:

1. The Mineral Resource estimate is effective as at 30 June 2025.
2. A cut-off grade of 0.05% WO_3 was applied to the Mineral Resource block model.
3. The Mineral Resources are reported with reasonable prospects for eventual economic extraction, using an RMB143,000/t tungsten concentrate price (65% WO_3) within an optimized pit shell outline.
4. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
5. Mineral Resources are reported inclusive of Ore Reserves.
6. The Mineral Resource has been constrained by the latest topographic survey as of 30 June 2025.

Mining and Ore Reserve

The Project is designed as an open pit mine, consisting of conventional drill, blast, load and haul, with a planned ore feed of 4.95 Mtpa ore. The selected open pit mining method is conventional and is considered as an appropriate and low-risk solution. Pre-stripping, was completed by September 2023 and mining commenced in November 2024.

For Ore Reserve and mine planning purposes, SRK conducted an optimization using the Lerchs-Grossman 3D algorithm in Whittle software. SRK considers this analysis, which was based on SRK's Mineral Resource estimate, the recently completed geotechnical study and the Modifying Factors outlined in the Preliminary Design, to be equivalent to a pre-feasibility study (PFS).

Based on the optimization results and a detailed mine design, a mining schedule has been prepared. The mining schedule has taken the progress of the processing plant construction and the targeted throughput into account. The Project is estimated to have a life-of-mine (LOM) of 15 years, with an average grade of 0.206% WO_3 and an LOM stripping ratio of 1.53.

The proposed contractor mining fleet is reasonable for the envisaged 12.45 Mtpa total material movement (TMM) mining capacity. However, the TMM capacity would be approximately 3-48% over the proposed 12.45 Mtpa for 7 years, due to the stable schedule targeting the plant feed. SRK has assumed mobilising of additional equipment via outsourcing to accommodate the increased capacity will be done.

Applying the Modifying Factors, SRK estimated the Ore Reserve for the Project in accordance with the JORC Code (2012). The Ore Reserve Statement is presented in Table ES.2. The economically mineable portions of the Indicated Mineral Resource within the open pit design and the current mining licence scope, including diluting materials and allowances for losses, were classified as Probable Ore Reserves. The feed ore is estimated as at the primary crusher or run-of-mine (ROM) stockpile at the processing plant.

Table ES.2: Ore Reserve Statement — Boguty Project — as at 30 June 2025

Category	Ore Reserve	WO_3 Grade	Contained WO_3
	(Mt)	*(%)*	*(kt)*
Probable	68.4	0.206	140.8

Source: SRK

Notes:

1 The Ore Reserve estimate is effective as at 30 June 2025.

2 A marginal cut-off grade (MCOG) of 0.06% WO_3 was used to define ore and waste.

3 The pit optimization and the estimation of MCOG are based on a forecast price of 110,000 RMB per ton for 65% WO_3 concentrate.

4 The Ore Reserves are reported in metric dry tonnes.

5 The Ore Reserves are reported at the reference point of the ROM stockpile before crushing.

6 The Ore Reserves are reported inclusive of Mineral Resources.

7 All materials extracted since the initial Ore Reserve estimate declared in December 2023 have been depleted from the Ore Reserve.

Mineral processing

The primary ore minerals include scheelite with traces of wolframite and tungstite. Scheelite occurrences are coarse grained, with 94% of grains larger than 0.074 mm.

The proposed processing plant follows a two-stage crushing-ore sorting-tertiary crushing-grinding circuit, along with a flotation concentrator using a single-stage rougher, three-stage scavenger and three-stage cleaner process. The final product is expected to comprise a scheelite concentrate containing 65% WO_3.

The processing plant will be developed in two phases. Phase I aims for a target throughput of 3.3 Mtpa or 10,000 tpd, while Phase II will increase the targeted throughput rate to 4.95 Mtpa or 15,000 tpd. The scheduled increase to the annual target throughput rate is shown in Table ES.3.

Table ES.3: Targeted throughput rate

H2 2025	2026	2027 onwards
1.65 Mt	3.80 Mt	4.95 Mt

Source: Jiaxin

Note: H2: Second half of the calendar year

In Phase I, the expected tungsten recovery to tungsten concentrate is 83% (75% in H2 2025), assuming production of a 65% WO_3 concentrate. After Phase I enters production, an industrial-scale ore sorting test will be conducted. In Phase II, the ore sorting circuit will pre-concentrate the crushed ore from 15,000 tpd to 10,000 tpd at a 33.33% rate of rejection. The overall tungsten recovery to tungsten concentrate is forecast at 78.85%. The inclusion of the ore sorting circuit will enhance the grade before grinding, which will significantly reduce the unit cost of grinding, improving the Project's overall economic returns.

The processing plant was designed and constructed to high quality standards. Other than the ore sorting system, the plant construction and equipment installation has been completed. Trial production begun in November 2024. Commercial production commenced in April 2025, progressively establishing the entire mineral processing flow. Continuous full-process operation was achieved in the second quarter of 2025, during which process conditions were optimized, leading to gradual improvements in throughput, concentrate grade and recovery rates.

Infrastructure

The key infrastructure supporting the Project includes access roads, power and water supplies, and an accommodation camp. The Project is conveniently accessible by vehicles from Kazakhstan's national capital, Almaty, as well as the Khorgos Kazakhstan-China borders via the A2 highway. The main mine access road branches from the A2 highway and is paved with graded sands and gravels. The entrance is fenced and there is a security checkpoint.

The Shelek Central Substation is a regional power station (120 MW capacity) and is located 119 km from the Project. A 110 kV overhead transmission line distributes power from the Shelek Central Substation to the Chundzha Substation, which runs south of the Project region. Jiaxin has obtained permission from the local power bureau to connect and supply power to the Project by installing a new 7 km-long overhead line branching from the existing 110 kV transmission line. The entire system is connected to the 30 MW power grid.

The Company has also obtained the relevant permissions to withdraw freshwater from the nearby Charyn River, located approximately 22 km southeast of the Project area. The freshwater can be directly used for industrial purposes and is sterilised for domestic use. Two external pumping stations and four internal high-level water tanks have been built, and all pumping equipment was installed and tested. All pipelines were installed and trenches were backfilled in the first quarter of 2024. Since July 2024, water has been successfully supplied to the mine through the 22 km-long water pipe.

A temporary accommodation camp, consisting of single-storey steel modular buildings and cement buildings, is located in the low-lying area between the TSF and processing plant. Despite being temporary, the buildings have been constructed to high standards and are well equipped. A permanent accommodation camp is currently being constructed approximately 600 m south of the open pit. The supporting construction for this permanent camp involves cutting a hill and erecting six three-storey buildings. The earthworks for the permanent camp began in June 2023, and the construction is expected to be completed within 2 years following the production commission. SRK considers that the infrastructure supporting all mining and processing operations is suitable and appropriate. The connected power and water supplies are sufficient to support the proposed operations.

Tailings storage facility

The TSF is to be located on a gentle slope approximately 3 km southwest of the processing plant. It features an open layout and is categorised as a hillside storage facility. Three embankments are constructed against the hillside (Figure 3.2). The TSF covers an area of approximately 3.5 km^2. The embankment elevation ranges from 1,116 m to 1,1157 m. The designed total storage capacity of 39.2 Mm^3 is sufficient to provide tailings storage capacity over the LOM.

The TSF will be constructed in three phases in accordance with the design (ANTAL, 2020). The embankment built in Phase 1 (1,143 m) will be lifted progressively in Phase 2 (1,152 m) and Phase 3 (1,157 m) to accommodate storage requirements. A volumetric assessment by SRK has confirmed the design storage capacity.

In November 2024, the TSF was put into operation.

Capital and operating costs

The capital cost of the Project has been incurred since 2020. From CY2020 to H1 CY2025, a total of RMB1,712.0 million was incurred. Budgeted amounts for H2 CY2025 and CY2026 are RMB315.5 million and RMB309.3 million, respectively. The total incurred and forecast capital cost for the initial development of the Project amounts to RMB2,236.3 million. Upon completion of initial development by 2026, the Project will have a processing capacity of 3.3 Mtpa ore in Phase I, increasing to 4.95 Mtpa in Phase II. TSF raising is planned for Phase 2 and Phase 3 in 2026 and 2034, respectively, at a total cost of RMB482.9 million.

The total cost for the initial development and subsequent raising of the TSF amounts to RMB2,719.3 million. In SRK's opinion, the capital cost forecast is appropriate to support the remaining initial development and the Phase 2 and Phase 3 TSF construction. The capital unit cost over the LOM is estimated to be 40 RMB/t ore or 15,900 RMB/t concentrate.

In H2 CY2025, the projected total operating cash cost is RMB331.0 million, with a unit cash cost of 200 RMB/t ore and 91,000 RMB/t concentrate. By CY2027, as the Project reaches its target production rate of 4.95 Mtpa and the ore sorting system for the Phase II development is installed, the total operating cash cost is expected to increase to RMB606.1 million, but the operating cash unit cost is projected to decrease significantly to 122 RMB/t ore and 44,400 RMB/t concentrate.

Environmental and social aspects

SRK has not identified any significant environmental or social risks that are likely to disrupt the proposed mining and processing activities. The critical environmental permits have been obtained. The Subsoil Use Contract was signed in 2015 and outlined the key environmental and social conditions the Company must adhere to. Environmental impact assessments (EIAs) for the open pit, processing plant and TSF were completed in accordance with local legislation and were approved by the appropriate authorities in 2020 and 2021, respectively.

The operation has also received land use approvals. Several air pollution and waste disposal unit permits have also been granted as environmental and special water use permits. The production water use permit was issued on 10 December 2024, granting the Company permission to extract a specified amount of water from the Charyn River.

A closure plan for the mining area was developed in 2019 and updated in 2022. A closure plan for the processing plant and TSF to reflect the current liabilities of the Company was developed to meet the requirements for Asset Retirement Obligation (ARO). This plan can be used to create a detailed closure plan that accurately reflects the closing liabilities at the end of the LOM.

1 INTRODUCTION

1.1 Background

SRK Consulting (Hong Kong) Limited (SRK) is an associate company of the international group holding company, SRK Global Limited (the SRK Group). SRK has been engaged by Jiaxin International Resources Investment Company Ltd (Jiaxin, hereinafter also referred to as the Company) to prepare an Independent Technical Report (ITR, or the Report) on the Boguty Tungsten Project located in Kazakhstan (the Project) in accordance with the Hong Kong Stock Exchange (HKEx) Listing Rules. SRK has been informed that the ITR will be included in a prospectus relating to an initial public offering (IPO) of shares in the Company and associated capital raising on the Hong Kong Stock Exchange (HKEx).

The Project is located in the southeastern part of Kazakhstan, approximately 180 km east of Almaty and 160 km west of the Chinese border (Figure 1.1). The construction of the Project is largely completed. Trial production commenced in November CY2024. The Project commenced commercial production in April 2025, with a target annual throughput of 3.3 Mt. In the first quarter of CY2027, the Project will transition to Phase II commercial production with the incorporation of an ore sorting system. The target annual throughput will increase to 4.95 Mt.

Figure 1.1: Location map of the Project

Source: ESRI

1.2 Scope of work

SRK's scope of work included a review of the following technical disciplines:

- Geology and Mineral Resources
- Mining and Ore Reserves
- Mineral processing
- Tailings
- Infrastructure
- Environmental and social
- Capital and operating costs.

A risk assessment has also been included.

1.3 Reporting standard

The authors of this Report are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) and/or the Australian Institute of Geoscientists (AIG) and therefore are bound by both the VALMIN Code and JORC Code. For the avoidance of doubt, this report has been prepared according to:

- the 2015 edition of the *Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets* (VALMIN Code)
- the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (JORC Code).

In accordance with the stated reporting guidelines, all geological and other relevant factors defining the Company's Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves have been considered in sufficient detail to serve as a guide for future exploration and development. Table 1 of the JORC Code has been used as a checklist during the preparation of this Report and any comments are provided on an 'if not, why not' basis to ensure clarity to an investor on whether aspects of the future development program have been considered as they apply to the JORC Code (2012) Table 1.

The criteria of the JORC Code Table 1 reflect the normal systematic approach to exploration and target evaluation. Relevance and Materiality are overriding principles which determine the information that needs to be publicly reported. This Report has attempted to provide sufficient comment on all matters that might materially affect a reader's understanding or interpretation of the results being reported. The criteria under which the Project is being evaluated are consistent with the current understanding of the geological controls on the known mineralisation, but as more knowledge is gained these criteria could change and be improved upon over time.

As per the VALMIN Code (2015), a draft of the Report was supplied to Jiaxin to check for material error, factual accuracy and omissions before the final version of the Report was issued.

1.4 Work program

SRK's work program completed under this commission included:

- review of supplied information
- site visits by SRK consultants at various intervals between 2018, 2024 and 2025
- estimation of Mineral Resources and Ore Reserves
- preparation of this Report.

1.5 Effective date

The effective date of the Report is 30 June 2025.

As informed by the Company, as at the Publication Date of this Report, there has been no material change to the status of the Project since the Effective Date. This includes no material change to the stated Mineral Resources and Ore Reserves at the Project as outlined in this Report.

1.6 Project team

This Report has been prepared by a team of SRK consultants from the Hong Kong, Almaty (Kazakhstan), Beijing (China), Brisbane (Australia) and Cardiff (UK) offices. The qualifications and experience of the consultants and associates who carried out the work in this Report are listed in Table 1.1. They have extensive experience in the mining industry and are members in good standing of appropriate professional institutions.

Table 1.1: Details of the qualifications and experience of the project team

Specialist	Position/SRK office	Responsibility	Site inspection	Professional designation
(Gavin) Heung Ngai Chan. . . .	Principal Consultant/ Hong Kong	Competent Person for Mineral Resource estimate and responsibility for the overall ITR	24-26 July 2018; 27-28 September 2022; 28-29 June 2025	BSc, MPhil, PhD (Earth Sciences), GradDip (AppFin), GradCert (Geostats), FAIG
Alexander Thin . .	Principal Consultant/ Beijing	Mining and Ore Reserve Reserve estimate	22 November 2022	BEng, GDE, FAusIMM(CP), FIM3 (CEng), FSAIMM, RPEQ
Falong Hu	Principal Consultant/ Beijing	Mining and Ore Reserves, Competent Person for the Ore Reserve estimate	4 August 2025	BEng, FAusIMM
Lanliang Niu . . .	Principal Consultant/ Beijing	Mineral Processing	10 August 2023	BEng, MAusIMM
Colin Wessels . . .	Principal Consultant/ Almaty	Tailings	22 November 2022; 18 September 2023	BSc, Pr.Sci.Nat., SACNASP, SAIEG
Nikolai Kirillov . .	Senior Consultant/ Almaty	Environmental and Social	22 November 2022; 10 August 2023	BSc
Nargiza Ospanova	Consultant/Almaty	Environmental and Social	10 August 2023; 20 November 2023	BSc, MSc
Fong Cheuk	Consultant/ Hong Kong	Geology and Mineral Resources	22 November 2022; 10 August 2023	BSc, MAIG
(Tony) Shuangli Tang	Senior Consultant/ Hong Kong	Geology and Mineral Resources	21-22 July 2024 6-7 March 2025	BSc, PhD, MAIG
Robin Simpson . .	Principal Consultant/ Almaty	Peer Review — Geology and Mineral Resources	No site visit	BSc (Hons), MSc, MAIG
Jane Joughin. . . .	Corporate Consultant/ Cardiff	Peer Review — Environmental and Social	No site visit	MSc, CEnv, MIEMA, Pr.Sci.Nat.
Jeames McKibben	Principal Consultant/ Brisbane	Peer Review — Overall Report	No site visit	BSc, MBA, MRICS, FAusIMM(CP), SME

Source: SRK

1.7 Limitations, reliance on information, declaration and consents

1.7.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by Jiaxin throughout the course of SRK's investigations as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Jiaxin was taken in good faith by SRK.

This Report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. SRK does not consider such rounding to be material when it occurs.

As far as SRK has been able to ascertain, the information provided by Jiaxin was complete and not incorrect, misleading or irrelevant in any material aspect. Jiaxin has confirmed in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, the information provided by Jiaxin was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

1.7.2 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the mineral titles, joint venture (JV) agreements, local heritage or potential environmental or land access restrictions.

1.7.3 Reliance on other experts

SRK has not performed an independent verification of the mining rights and/or land titles, nor the legality of any underlying agreements that may exist concerning the permits, commercial agreements with third parties or sales contracts and instead has relied on information as provided to SRK by Jiaxin's independent legal advisers.

The commodity price and inflation forecasts used in this Report for economic evaluation purposes are provided by the Jiaxin's industry expert, Frost & Sullivan (F&S), an independent market research and consulting company.

1.7.4 Source of information

This Report is based on information made available to SRK by Jiaxin and its consultants and contractors and on information collected during the site visits. The key information includes the Preliminary Design jointly completed by ENFI, VNIItsvetmet as well as the design and evaluation of power and water supply, tailings storage facility (TSF) and various environmental impact assessments (EIAs) for the Project completed by VNIItsvetmet and ANTAL.

1.7.5 Warranties

Jiaxin has represented in writing to SRK that full disclosure has been made of all material information and that, to the best of its knowledge and understanding, such information is complete, accurate and true.

1.7.6 Indemnities

As recommended by the VALMIN Code (2015), Jiaxin has provided SRK with an indemnity under which SRK is to be compensated for any liability and/or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Jiaxin or Jiaxin not providing material information; or

- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

1.7.7 Consent

SRK consents to this Report being included, in full, in Jiaxin's HKEx listing documents in the form and context in which it is provided and not for any other purpose. SRK provides this consent on the basis that the findings expressed in the Executive Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete Report.

Practitioner Consent

The Competent Person who has overall responsibility for this Report and Mineral Resource is Dr (Gavin) Heung Ngai Chan. He is a Fellow of the Australasian Institute of Geoscientists (AIG) and a full-time employee of SRK Consulting (Hong Kong) Limited. Dr Chan has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined under the 2012 edition of the JORC Code. (Gavin) Heung Ngai Chan consents to the inclusion in the Report of the Mineral Resources in the form and context in which they appear.

The information in this Report that relates to Ore Reserves is based on information compiled by Falong Hu, who is a Fellow of the Australasian Institute of Mining and Metallugry (AusIMM). He is a full-time employee of SRK Consulting (China) Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined under the 2012 edition of the JORC Code. Falong Hu consents to the inclusion in the Report of Ore Reserves in the form and context in which they appear.

HKEx requirements

Dr (Gavin) Heung Ngai Chan meets the requirements of Competent Person, as set out in Chapter 18 of the Stock Exchange Listing Rules. Dr Chan is a Fellow of good standing of AIG; has more than five years' experience relevant to the style of mineralisation and type of deposit under consideration; is independent of the issuer applying all the tests in sections 18.21 and 18.22 of the Listing Rules; does not have any economic or beneficial interest (present or contingent) in any of the reported assets; has not received a fee dependent on the findings of this ITR; is not officer, employee of a proposed officer for the issuer or any group, holding or associated company of the issuer; and takes overall responsibility for the ITR.

1.7.8 Corporate capability

SRK is an independent, international group providing specialised consultancy services. Among SRK's clients are many of the world's mining companies, exploration companies, financial institutions, engineering, procurement and construction management (EPCM) and construction firms, and government bodies.

Formed in Johannesburg in 1974, the SRK Group now employs some 1,700 staff internationally in over 40 permanent offices in 20 countries on 6 continents. A broad range of internationally recognized associate consultants complements the core staff.

The SRK Group's independence is ensured by the fact that it is strictly a consultancy organization, with ownership by staff. SRK does not hold equity in any projects or companies. This permits SRK's consultants to provide clients with conflict-free and objective support on crucial issues.

1.7.9 Stock exchange public report

SRK has prepared many public reports for the HKEx. Selected examples are listed in Table 1.2.

Table 1.2: Public reports prepared by SRK for disclosure on the HKEx

Company	Year	Project Nature
Chifeng Jilong Gold Mining	2025	Listing on HKEx
Persistence Resources Group	2024	Listing on HKEx
Huibei GreenGold	2023	Listing on HKEx
China Graphite	2022	Listing on HKEx
Pizu Group	2020	Major acquisition on HKEx
Heaven-Sent Gold Group	2019	Listing on HKEx
China Unienergy	2016	Listing on HKEx
China Mining Resources	2016	Major acquisition of Tongguan project on HKEx
Agritrade Resources	2015	Major acquisition on HKEx, purchased shares of an Indonesia coal mine
Feishang Non-metals	2015	Listing on HKEx
Future Bright Mining	2014	Listing on HKEx
Hengshi Mining	2013	Listing on HKEx
Jinchuan Group International	2013	Major acquisition on HKEx
China Daye Non-Ferrous	2012	Very substantial acquisition on HKEx
MMG	2012	Very substantial acquisition on HKEx
China Nonferrous Metal Mining	2012	Listing on HKEx
China Hanking Holdings	2011	Listing on HKEx
CNNC International	2010	Acquisition of uranium mine in Africa
Sino Prosper	2010	Acquisition of gold mine in Inner Mongolia
United Company RUSAL	2010	Listing on HKEx
New Times Energy	2010	Acquisition of Hebei gold mine
Citic Dameng Holdings	2010	Listing on HKEx
Hao Tian Resources	2009	Very substantial acquisition on HKEx
Green Global Resources	2009	Acquisition of iron ore mine in Mongolia
Ming Fung Jewellery	2009	Acquisition of gold mine in Inner Mongolia
Continental Holdings	2009	Acquisition of Henan gold mine
North Mining	2009	Acquisition of Shaanxi molybdenum mine
Kiu Hung International	2008	Acquisition on HKEx, purchased shares of a coal mine in Inner Mongolia
Sino Gold Mining Limited	2007	Dual listing on HKEx and ASX
Xinjiang Xinxin Mining Industry	2007	Listing on HKEx

Company	Year	Project Nature
Yue Da Enterprise Group. . . .	2006	Acquisition of equity of a lead-zinc mine in China and completion of transaction on HKEx
China Coal Energy Company.	2006	Listing on HKEx
Lingbao Gold	2005	Listing on HKEx
Zijin Gold Mining	2004	Listing on HKEx
Aluminum Corporation of China	2001	Dual listing on HKEx and NYSE
Yanzhou Coal Mining	2000	Sold Jining #3 Coal mine to Listco

Source: SRK

1.7.10 *Statement of SRK independence*

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting their independence or that of SRK. SRK has no beneficial interest in the outcome of this Report capable of affecting its independence.

1.8 Consulting fees

SRK's fee for completing this Report is based on a fixed price contract. The total project fee amounts to around HK$3 million. The payment of that professional fee is not contingent on the outcome of this Report.

2 TUNGSTEN

Tungsten is an element with the chemical symbol, W, and atomic number 74. It is a dense, hard, steel-gray metal that is known for its high melting point, high density, high tensile strength, and excellent corrosion resistance. Tungsten has the highest melting point of all metals and is often used in applications that require extreme heat resistance, such as in light bulb filaments, electrical contacts, and high-speed cutting tools. It is also commonly used as an alloying element in the production of various steels and superalloys. Tungsten compounds are used in a variety of industries, including electronics, aerospace, military, automotive, and mining.

2.1 Tungsten products

Tungsten concentrate is the primary product of tungsten mine production (Figure 2.1). The main types of tungsten concentrate include, scheelite and wolframite concentrates. Scheelite is a calcium tungstate mineral, and scheelite concentrate is derived from ores rich in scheelite. It is the most common type of tungsten concentrate produced worldwide. Wolframite is an iron-manganese tungstate mineral. Wolframite is typically associated with other minerals, such as cassiterite (tin ore). Marketable scheelite and wolframite concentrates typically contain 65-70% WO_3.

Most tungsten concentrates undergo beneficiation processes to remove impurities and increase the tungsten content. The concentrate is then chemically processed to convert it into ammonium paratungstate (APT), which is a white crystalline powder containing a high concentration of tungsten.

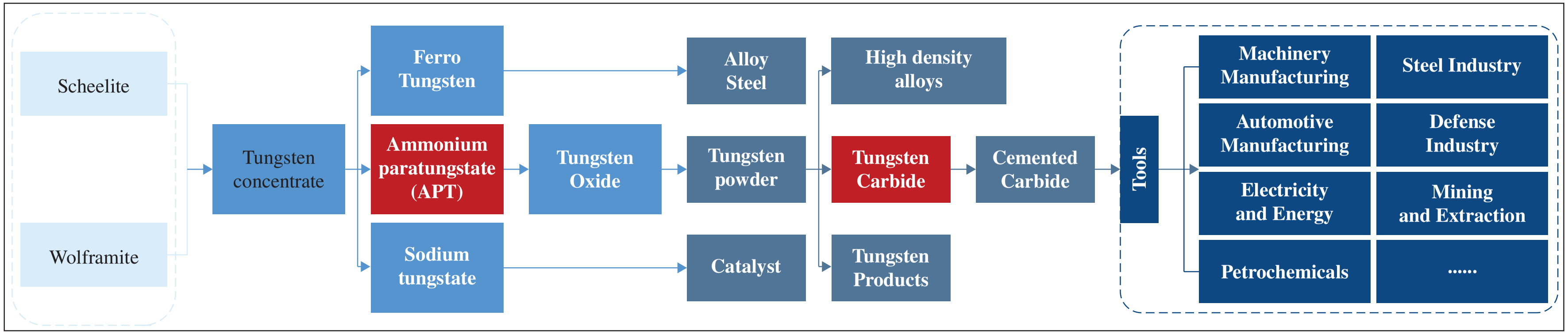
APT is used as a feedstock for the production of other products but is mainly used as a feedstock for tungsten oxide. Tungsten oxide is then converted to tungsten metal powder, which is further used in the production of tungsten carbide (WC). Tungsten carbide serves as the main raw material in the manufacturing of cemented carbide.

Cemented carbide is a composite material made primarily of tungsten carbide particles bound together by a metallic binder, usually cobalt. It is a highly versatile and widely used material known for its exceptional hardness, wear resistance, and strength. Cemented carbide has a wide range of applications across various industries. It is commonly used in cutting tools such as drills, end mill, inserts, and saw blades due to its excellent hardness and wear resistance. It is also used in wear parts, such as nozzles, valve seats, wire drawing dies, and mining tool inserts. Additionally, cemented carbide finds applications in industries such as aerospace, automotive, metalworking, and mining, where high-performance materials are required.

Other markets for tungsten concentrate are for the production of ferrotungsten and sodium tungstate. Ferrotungsten serves as a master alloy used in the production of tungsten-containing steels. The raw materials for ferrotungsten production are rich ore or ore concentrates of wolframite or scheelite. Sodium tungstate is used in various applications, including catalysts in chemistry, the production of pigments and dyes and metal surface treatments.

The primary product of this Project is scheelite concentrate, which contains 65% WO_3. In addition, the Company is considering the construction of a refinery for the future production of APT and WC.

Figure 2.1: Tungsten concentrate and its secondary products



Source: F&S

3 PROJECT OVERVIEW

3.1 History and development

The Boguty tungsten deposit was discovered in 1941 and prospected by various parties until 1969. From 1969 to 1974, the Geological Survey of South Kazakhstan, a former Soviet Union (FSU) organization conducted systematic exploration, including diamond drilling, trenching and extensive underground development (hereafter known as the FSU program) (Figure 3.1).

From 2014 to 2015, Behre Dolbear Asia, Inc. (BD) was commissioned by Jiaxin to conduct a program to verify the previous exploration results (hereafter the BD program).

In November 2015, through the acquisition of Aral-Kegen LLP (AK), Jiaxin obtained indirect control over Zhetisu Volframy LLP (Zhetisu), which held the mining rights to the Project.

Between 2015 and 2019, a series of metallurgical testwork programs were carried out by various Chinese research institutes. A series of technical studies including feasibility studies, metallurgical testwork and ore sorting testwork were carried out by various Chinese research institutes at this time culminating in a feasibility study on the Project by China ENFI Engineering Co., Ltd (ENFI).

In June 2020, a preliminary design (the Preliminary Design) was jointly completed by ENFI and the Kazakhstan Eastern Mining and Metallurgical Research Institute for Non-ferrous Metals (VNIItsvetmet), an affiliate of the National Center for Complex Processing of Mineral Raw Materials of the Republic of Kazakhstan. The Preliminary Design covered all of the proposed construction elements inside the Project area. Construction of external power and water supply, design of TSF and various environmental impact assessments (EIAs) for the Project were completed by VNIItsvetmet and ANTAL Design Institute (ANTAL) around this time.

3.2 Construction status

In May 2021, the full-scale construction of the Project commenced with China Civil Engineering Construction Corporation (CCECC) as the contractor.

During the construction period, the progress of the Project was hindered by the outbreak of the COVID-19 pandemic and the subsequent implementation of travel restrictions, border control and quarantine measures between Kazakhstan and China extending from 2021 to early 2023. In addition, the more recent onset of the Russia-Ukraine conflict has disrupted the procurement sources and supply chains. With the removal of all COVID-related measures, logistics between Kazakhstan and China have returned to normal. In September 2023, a significant milestone in the construction was achieved with the completion of pre-stripping.

By July 2024, construction of the processing plant complex was completed, equipment was installed, auxiliary facilities were largely set up, and testing of the processing plant equipment commenced. The 22 km-long water pipeline supplying water to the Project was completed.

In late October 2024, high-voltage power lines were completed, connecting the Project to the 30 MW power grid. Commercial mining operations commenced.

In November 2024, the TSF was put into operation.

The installation of the processing plant and auxiliary equipment, access to water and connection to the main grid power was completed by the second half of CY2024.

The trial production phase, which allows testing and fine-tuning of the processing operation, commenced in November 2024.

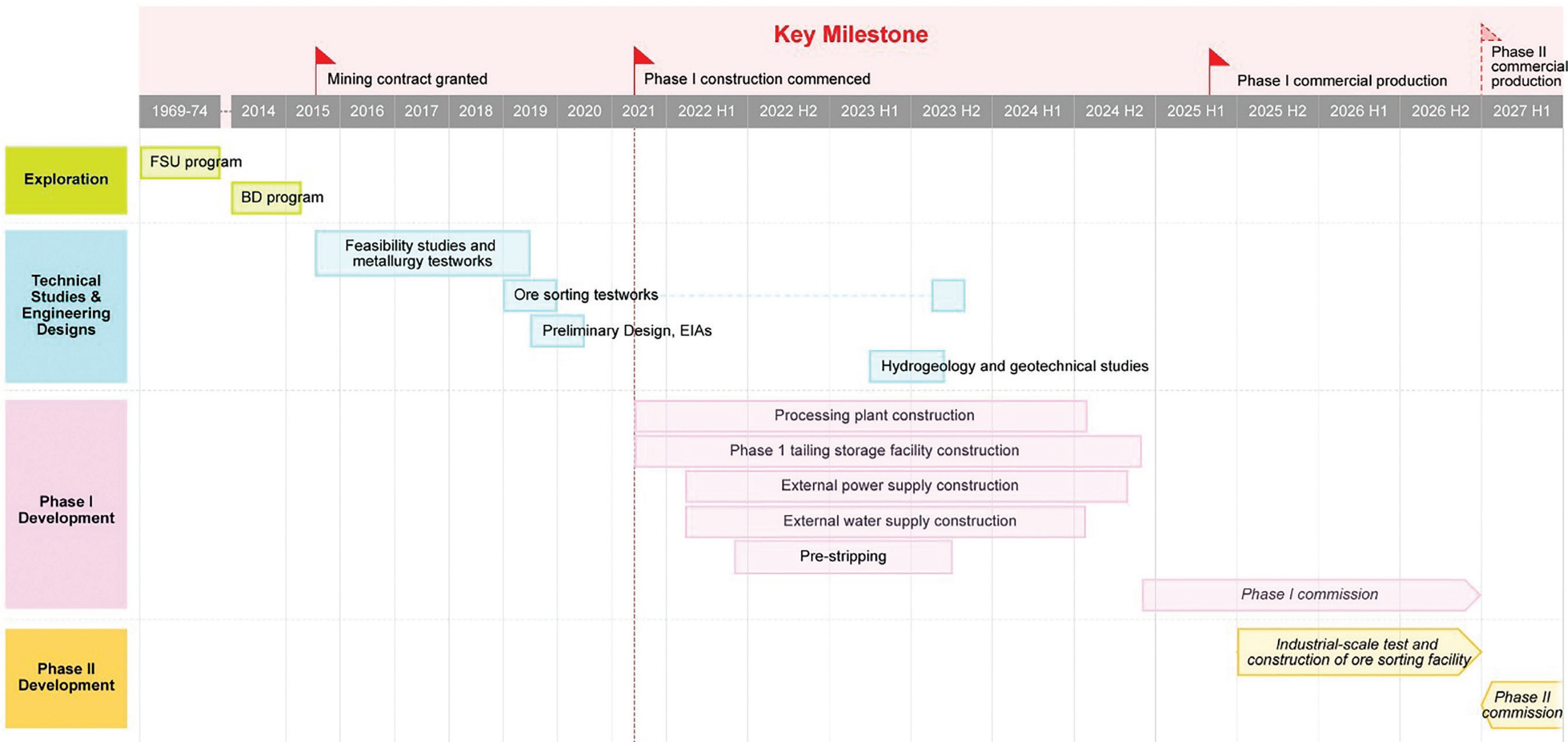
Phase I commercial production commenced in April 2025, with the target processing throughput of 3.3 Mtpa of ore.

3.3 Commissioning targets

In the second half of CY2026, the target processing volume will ramp up as the ore sorting system is integrated into the current flowsheet.

From the first quarter of CY2027, the plant will enter the Phase II commercial production and reach its target processing throughput of 4.95 Mtpa of ore.

Figure 3.1: Timeline of major development milestones at the Project



Source: Jiaxin

Figure 3.2: Development status as at June 2025

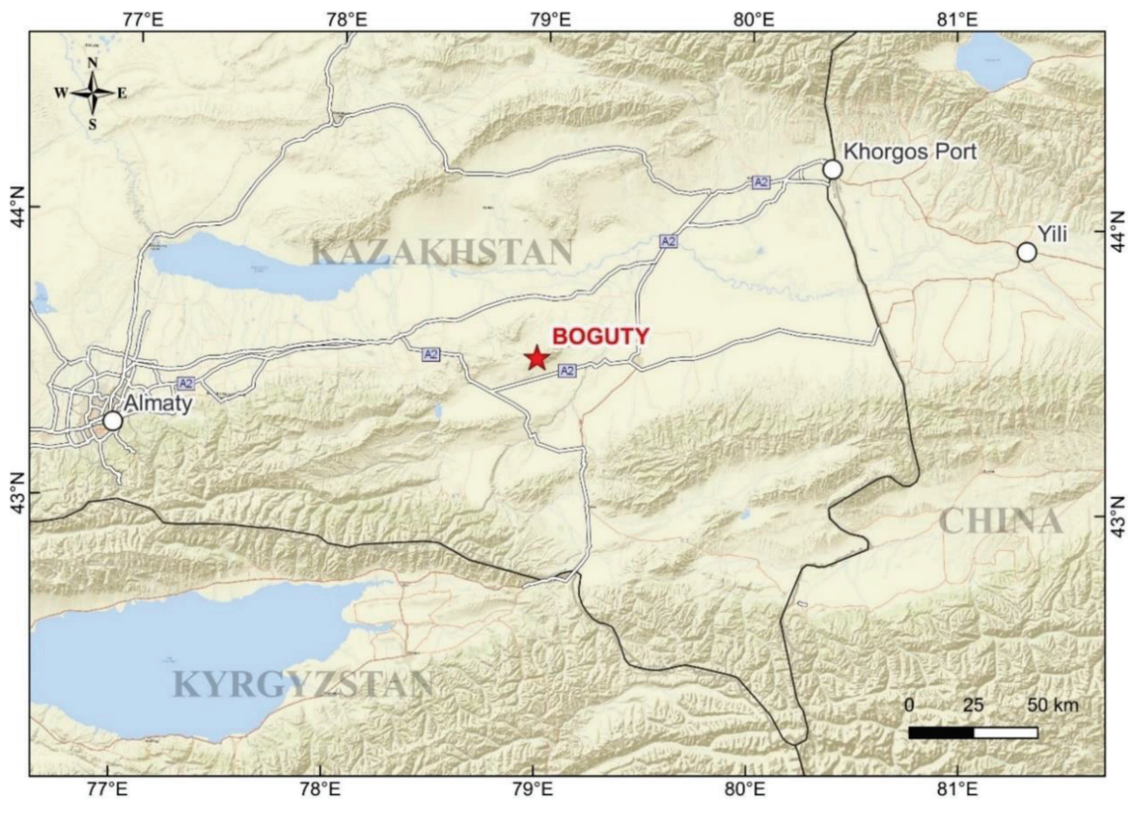
Source: SRK

Note: Basemap showing LOM layout of the Project in the Preliminary Design and photographs showing development status as at June 2025.

3.4 Access

The Project is geographically centered at latitude: 43º32’22”N and longitude: 78º58’31”E within the Yenbekshikazakh district of the Almaty region, at the eastern end of the Zailiysky-Alatau mountain range. It is located approximately 180 km east of Almaty. It can be accessed by vehicle via the A2 highway, which takes approximately 2.5 hours from Almaty. The Khorgos crossing with China, which is used for both passenger and cargo, is located 160 km to the east of the Project along the A2 highway. The closest international airport is in Almaty, with regular flights to key cities in the region, as well as several global transportation hubs (Figure 3.3).

Figure 3.3: Project location

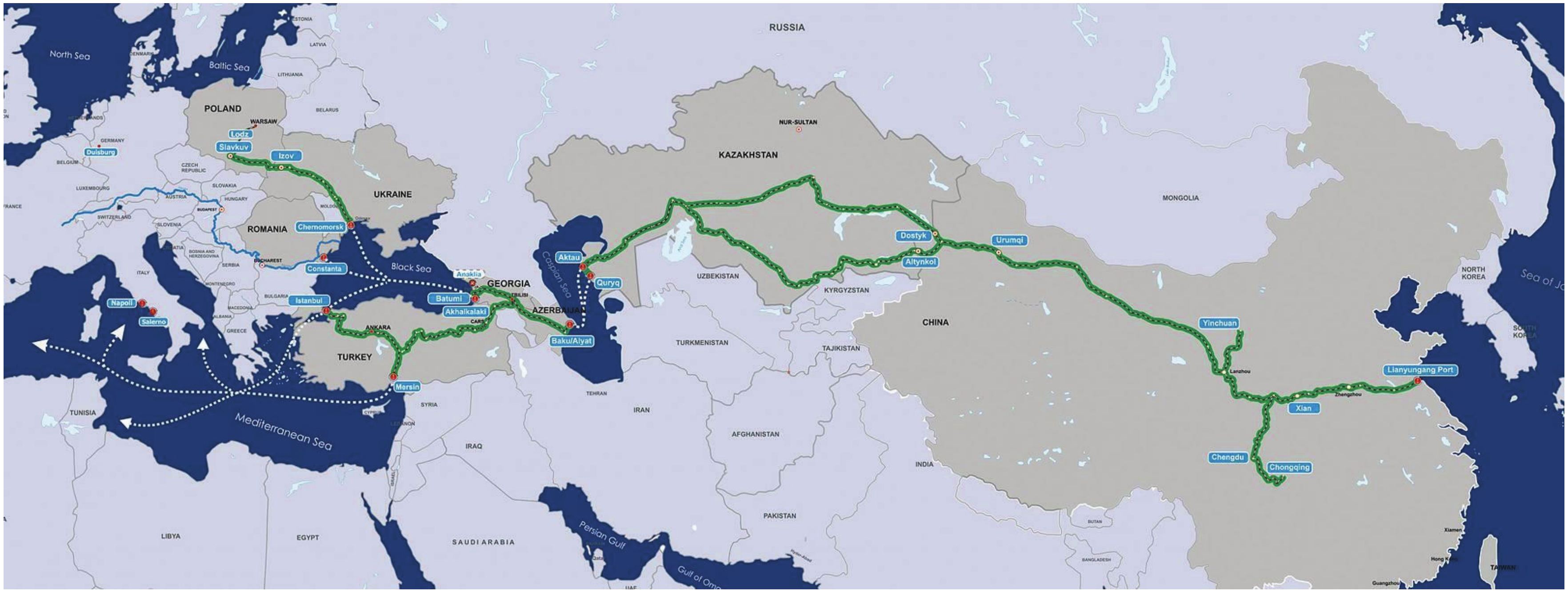


Source: modified after ESRI

The main access road to the mine has been constructed and branched from the A2 all-weather highway. The road is 9 m wide, paved with graded rock fragments, from bottom to top 22 cm mixed gravels basement, 25 cm graded gravels and 3–4 cm wearing coarse. The Project area has been fenced and a security checkpoint has been established at the mine entrance.

Most equipment and materials are now sourced and procured from China, where shipment can be made through the Khorgos Port. Export of tungsten products to China can also be trucked along the same route. Export to other overseas markets can be achieved by Trans-Caspian International Transport Route (TCITR), an international logistics infrastructure corridor which starts in China and extends through Kazakhstan, the Caspian Sea, Azerbaijan, Georgia, Turkey and on to Europe. The nearest rail station on TCITR to the Project is the Altynkol station in the Kazakhstan side of Khorgos Port (Figure 3.4), a distance of approximately 160 km.

Figure 3.4: Trans-Caspian International Transport Route



Source: Транскаспийский Международный Транспортный Маршрут *(TCITR)*

3.5 Climate and physiography

The climate at the Project area is continental. In January, the average monthly temperature is -8.8°C, while in July, it rises to a peak of 28.9°C. The seasonal temperature fluctuations are significant, ranging from 40°C in summer to -39°C in winter. Annual precipitation averages at 442.4 mm (rainfall) and 64.22 mm (snow), with most of the precipitation falling between March and May. The prevailing wind direction is predominantly from the east and southeast, with average annual speeds ranging from 1.0 m/s to 2.0 m/s.

The region experiences various adverse weather conditions throughout the year. These include late spring and early autumn frosts, strong winds, dust storms, hail, drought, and dry winds, as well as snowstorms, and strong winds in winter.

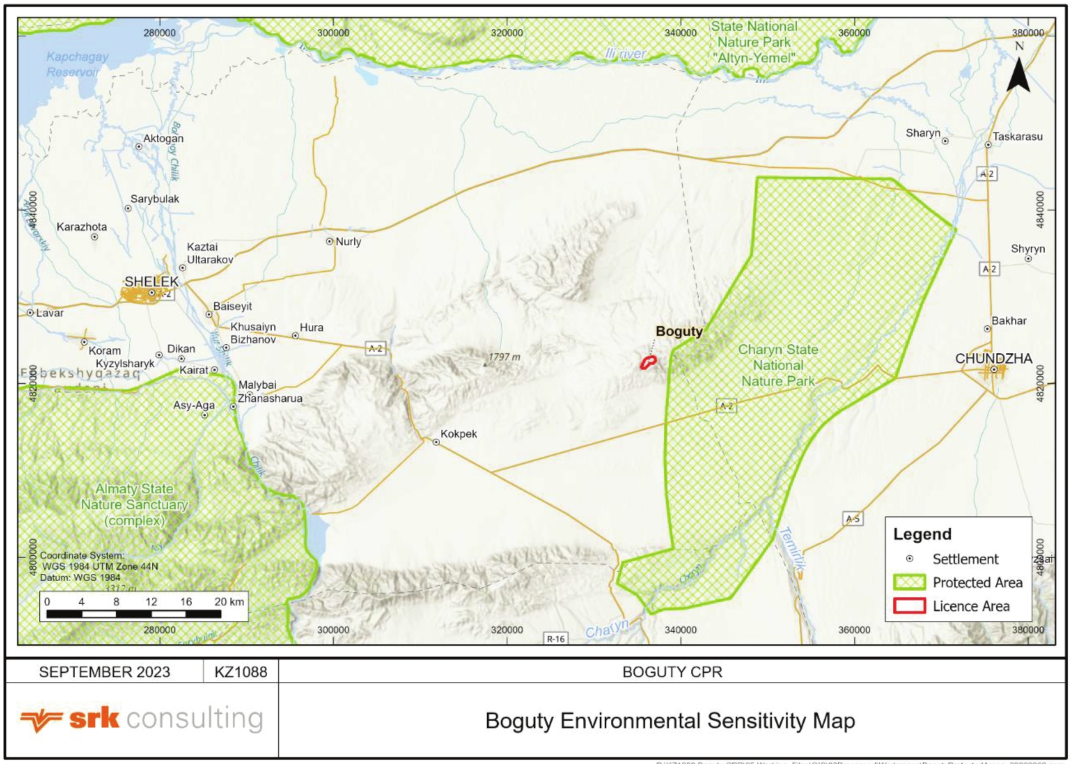
The Project area is located in hilly area, consisting of narrow valleys with rocky or scree slopes. The maximum elevation within the Project area is 1,812.4 m above sea level.

The nearest settlement to the Project is the Kokpek village, located 25 km to the northeast. The latest available census data is from 2009 and recorded that 74 people lived in this village. In addition, two other settlements, Shelek and Chundzha, are situated to the west and east of the Project, respectively (Figure 3.5).

The district economy relies primarily on agriculture, albeit on a small scale. The main commercial crops cultivated are cereals, oilseeds (including sunflower and safflower) and soybeans. In addition, livestock grazing is widespread in the district, despite the fragmentation of grazing lands caused by road development. During SRK's site visit in July 2023, livestock grazing was observed to be occurring approximately 7-8 km away from the Project area. However, the Project area is fenced, which effectively mitigates the risk of livestock entering the Project area.

The Charyn State National Nature Park is located to the immediate east of the Project area. This Park, which is transected by the Charyn River, serves as a protected area for the migration routes and habitats of various wild animals, including rare and endangered ungulate species. It also preserves the habitats of rare and endangered plant species (Figure 3.5).

Figure 3.5: Natural environment and communities near the Project



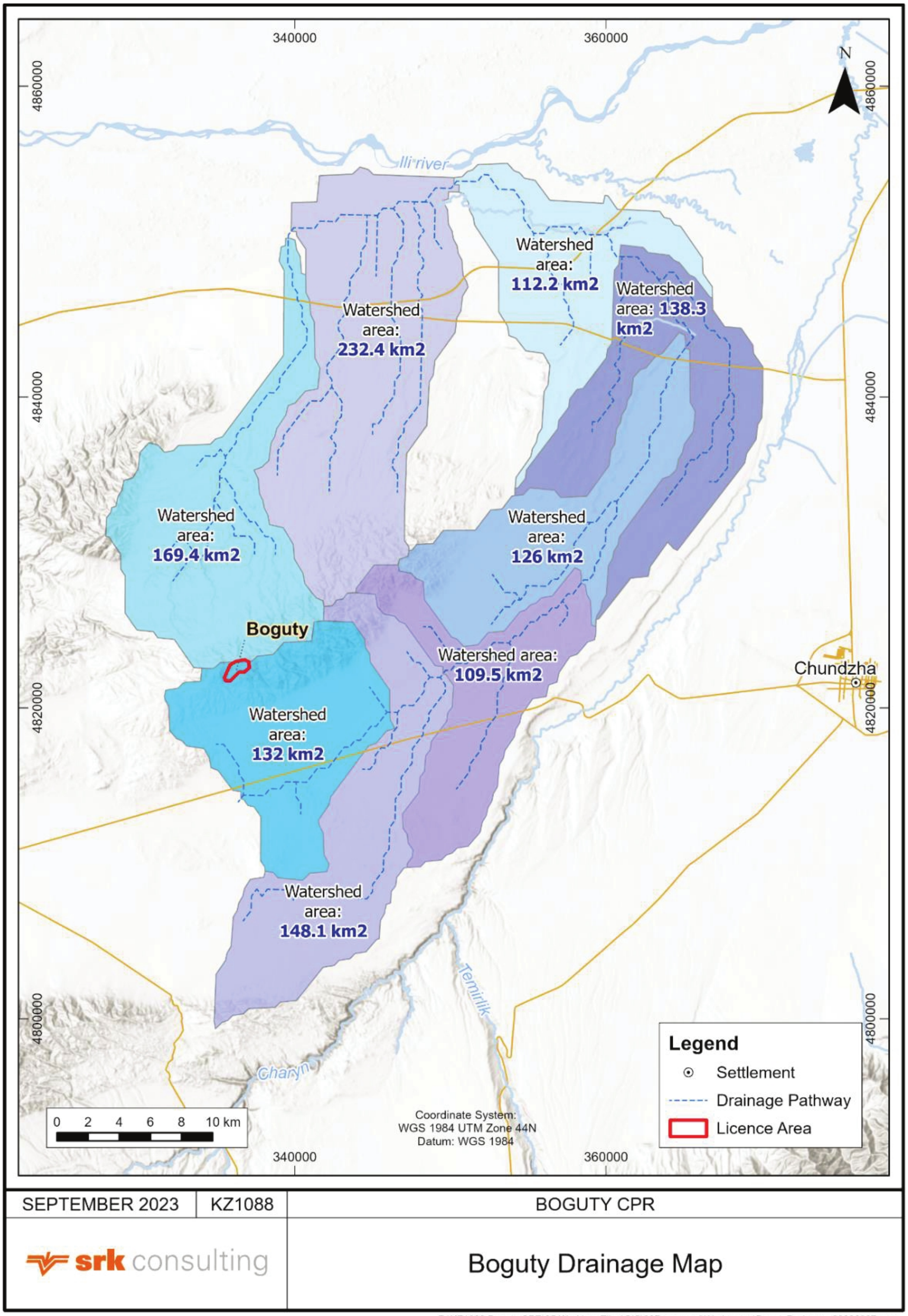
Source: SRK

The Project is situated in proximity to two significant water bodies, namely the Charyn River, located 20 km to the south, and the transboundary Ili River, which flows approximately 35 km to the north from the Project area. A catchment map illustrating the potential drainage pathways from the Project area (Figure 3.6) highlights that the water catchments of the Project facilities directly drain towards the Ili River.

The Ili River is a transboundary river shared by China upstream and Kazakhstan downstream. It serves as the primary water source for the Kapchagay Reservoir and Lake Balkhash. The flow of the Ili River from northwest China has been declining steadily since the 1970s, while the agricultural land area along the Ili River in China has increased by 30% in the past two decades. Intensive water usage is also prevalent within Kazakhstan. More than 90% of the water extracted from the Ili River is used for irrigated agricultural purposes, as well as the Kapchagay Hydroelectric Power Plant, and municipal and industrial water supply.

Since its construction in 1970, the Kapchagay water reservoir (capacity: 39 km^3 of water derived from the Ili River) has decreased the flow in the Ili River by two-thirds and led to a decline in the lake's water level. Lake Balkhash, which depends on the glacier-fed transboundary Ili River for 80% of its capacity, remains vulnerable to runoff and climate change. The lake's area and volume have experienced significant variations, exhibiting both long-term and short-term fluctuations in water levels.

Figure 3.6: Location of Project area relative to catchments towards the Ili River



Source: SRK

3.6 Seismicity

Based on the Kazakhstan regional seismicity map, the seismic fortification intensity of the Project area is at Magnitude 9. The peak ground acceleration ranges from 0.415g to 0.598g, depending on the rock types present, as well as the soil and rock mechanics. The Project area mainly consists of sedimentary rocks and the peak ground acceleration is determined at 0.506g.

The design and construction of the Project has taken the potential earthquake risk into account and earthquake precautionary reinforcement has been included.

3.7 Mining rights

The mining rights of the Project are covered by the Subsoil Use Contract No. 4608-TPI and three subsequent addenda. The current owner of the Subsoil Use Contract is Zhetisu Volframy LLP (Zhetisu). Zhetisu operates as a joint venture (JV) company with two participants: Aral-Kegan LLP (AK), holding 97% of the participatory interest, and Ever Trillion International Singapore PTE LTD, holding 3% of the participatory interest. AK has two participants: Jiaxin International Resources Investment Limited S.à.r.l., holding 99.99% of the participatory interest, and Mr. Liu Liqiang, holding 0.01% of the participatory interest.

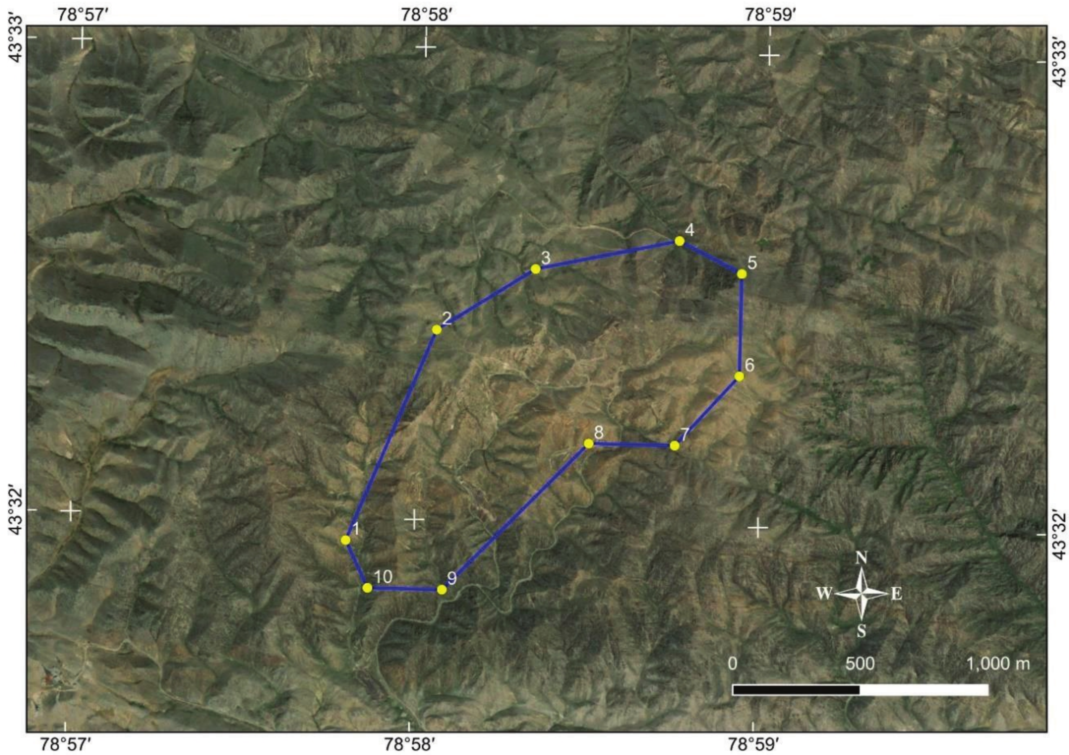
The mining rights cover an area of 1.16 km^2 and permits exploitation of the resource up to a maximum depth of 300 m below surface. The specific boundaries of the mining licence are outlined in Table 3.1 and shown in Figure 3.7. The mining rights were issued by the Ministry of Investments and Development of Kazakhstan, MID (a predecessor of the Ministry of Industry and Construction of Kazakhstan, MIC) is valid from 2 June 2015 to 2 June 2040 for period of 25 years.

Table 3.1: Boguty mining rights coordinates

Boundary Point	Latitude	Longitude
1	43°31’56”	78°57’50”
2	43°32’23”	78°58’05”
3	43°32’31”	78°58’22”
4	43°32’35”	78°58’47”
5	43°32’31”	78°58’58”
6	43°32’18”	78°58’58”
7	43°32’09”	78°58’47”
8	43°32’09”	78°58’32”
9	43°31’50”	78°58’07”
10	43°31’50”	78°57’54”

Source: Jiaxin

Figure 3.7: Mining rights projected on satellite image



Source: SRK

4 GEOLOGY AND MINERAL RESOURCES

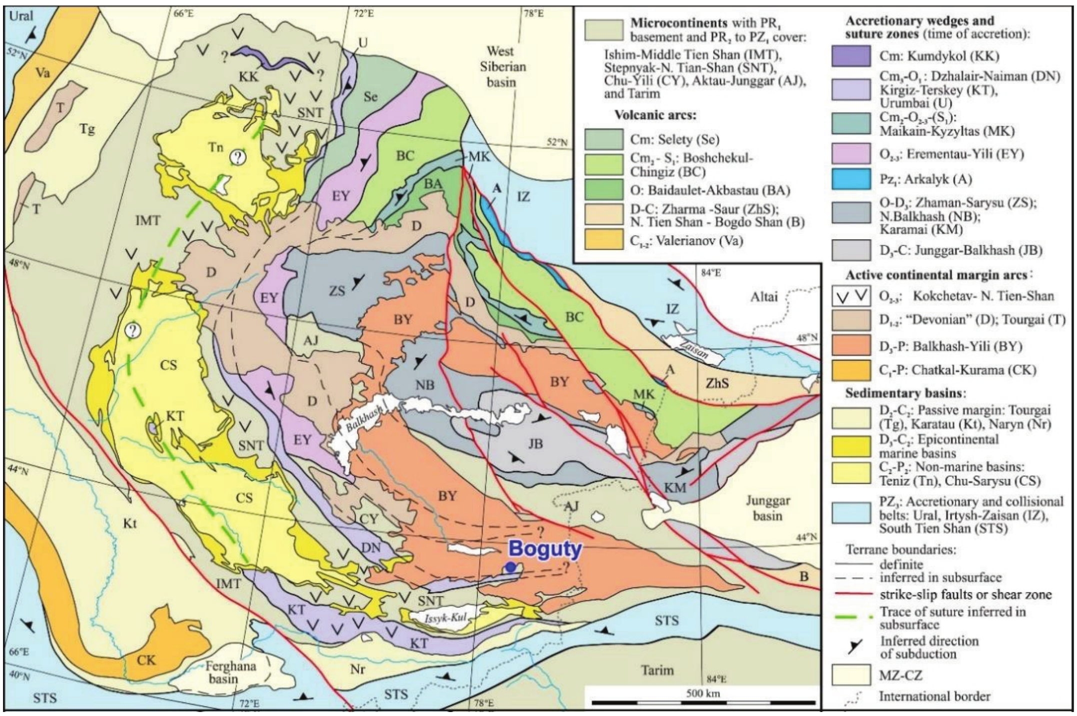
4.1 Regional geology

Regionally, the Project is situated on the Chu-Yili microcontinent, which constitutes the southern limb of the Kazakhstan Orocline within the western Central Asian Orogenic Belt (CAOB) (Windley et al., 2007 and Wang et al., 2019).

The basement rocks of the Chu-Yili microcontinent comprise Cambrian gabbro and ultramafic rocks overlain by Palaeozoic sedimentary rocks from the Ordovician Ulkenboguta Formation, with a total thickness of 2,800-4,300 m. These sedimentary sequences consist of conglomerate, sandstone and siltstone to mudstone units (Windley et al., 2007 and Wang et al., 2019).

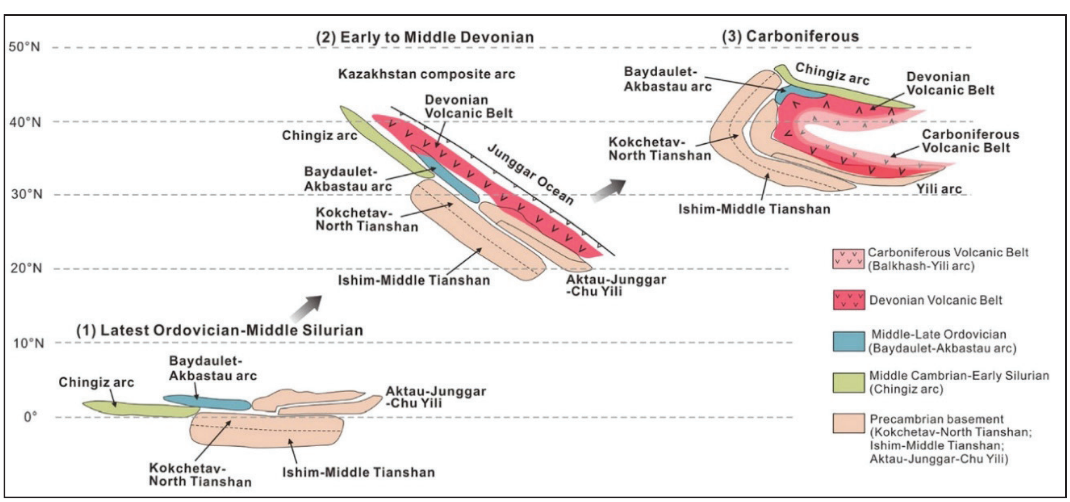
During the Late Ordovician to Middle Silurian, subduction and accretionary events caused compression and amalgamation of the Chu-Yili microcontinent with other geological terranes and microcontinents. This process resulted in the formation of a complex fold belt, accompanied by subparallel and steeply dipping faults and fractures striking north to northeast. Multiple phases of granitic magmatism associated with the orogeny in the Devonian and Carboniferous intruded the folded sediments. These intrusive events are regionally associated with hydrothermal mineralisation (Figure 4.1 & Figure 4.2) (Windley et al., 2007 and Wang et al., 2019).

Figure 4.1: Regional tectonic setting of the Kazakhstan Orocline, western Central Asian Orogenic Belt



Source: modified after Windley et al., 2007, Wang et al., 2019

Figure 4.2: Tectonic model of the Kazakhstan Orocline



Source: modified after Wang et al., 2019

4.2 Local geology and mineralisation

The Project is situated in the southern portion of the Boguty Syncline, which was formed during the Late Ordovician. The central part of this fold hosts Lower Palaeozoic sediments, primarily consisting of sandstone, siltstone and shale sequences from the Middle and Upper Members of the Ordovician Ulkenboguta Formation. The limbs of the fold comprise Upper Palaeozoic volcanic rocks (GKZ, 1974, Figure 4.5).

During the Devonian (400-500 Ma), a porphyritic granite intrusion was emplaced into the folded sedimentary rocks along a series of north-trending faults. Extensive subparallel fractures that trend northwest within the folded rocks were formed. A subsequent phase of granitic intrusion, dated at around 380-410 Ma, occurred in association with tungsten-bearing hydrothermal fluids. This process led to the development of a network of quartz-scheelite veins, primarily filling the fractures in the southeastern contact zone within the granite, within the siltstone and sandstone unit of the Middle Member of the Ulkenboguta Formation. These quartz-scheelite veins range in length from a few centimetres to tens of centimetres and occur as stockworks and veinlets. These centimeter-scale veins commonly occur as conjugate sets, cutting through the sediments. Disseminated scheelites also occur in the surrounding host sediments (Figure 4.3, Figure 4.4 & Figure 4.5).

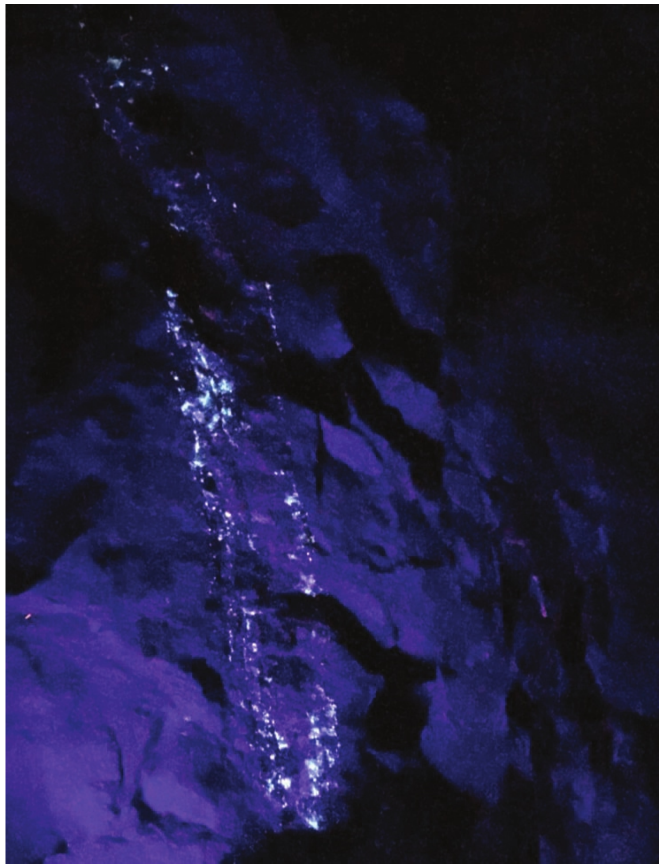
The mineralisation extends of a length of approximately 2,000 m in a northeast direction, with a lateral extent of 400 m towards the east. It dips subvertically northwest, reaching a maximum depth of 500 m below surface. The quartz veins and association mineralisation appear to diminish in number when mineralisation extends into the younger shale sequence and finer-grained, siliceous sediments of the Upper Member of the Ulkenboguta Formation. Two post-mineralisation dykes, measuring 1-4 m in width, are also present. These diabase and lamprophyre dykes cut through the central part of the known mineralisation (Figure 4.5, Figure 4.9 & Figure 4.10).

The principal ore mineral is scheelite ($CaO•WO_3$) and there are subordinate amounts of wolframite ($(Fe,Mn)O•WO_3$) and tungstite ($WO_3•H_2O$). The distribution and occurrence of scheelite mineralisation exhibit highly irregular patterns. Scheelite is predominantly observed as minute grains enclosed within quartz minerals and brecciated quartz fragments. The thickness and morphology of the mineralisation also vary significantly over short distances. In addition to scheelite, field and core inspections have revealed the presence of other metal minerals, including pyrite, haematite, chalcopyrite, spherite, molybdenum and galena.

Figure 4.3: Quartz-scheelite veins cutting through sandstone

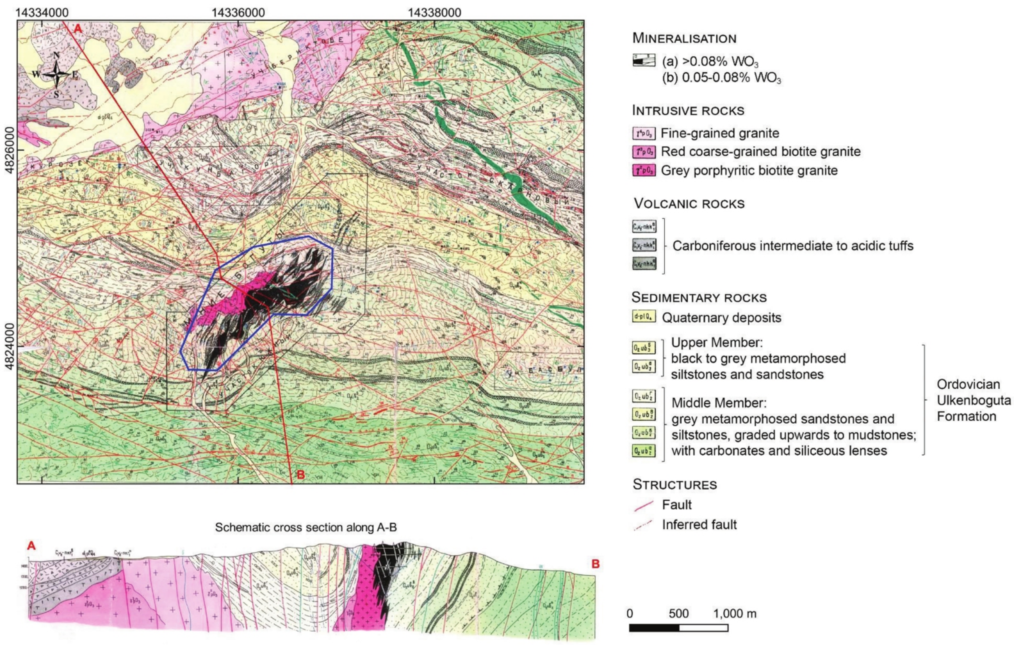
Source: SRK site visit July 2018

Figure 4.4: Fluorescent scheelite grains observed on the adit wall under ultraviolet light



Source: SRK site visit July 2018

Figure 4.5: Geology and schematic cross section of the Project area



Source: modified after GKZ

4.3 Historical exploration

Prior to 1969, several small-scale exploration programs were conducted in the Project area by various groups (Table 4.1). However, the samples were not properly preserved, and exploration results were not documented in detail.

In the period between 1969 and 1974, the Geological Survey of South Kazakhstan, an FSU organization carried out a systematic exploration program (known as the FSU program). In 2014-2015, Jiaxin commissioned BD and its collaborator to carry out a verification program of the previous exploration results (the BD program).

The key historical exploration works are summarized in Table 4.1. Details of the systematic exploration conducted between 1969 and 1974 and the verification program carried out in 2014-2015 are described in Section 4.4.

Table 4.1: Summary of historical exploration

Year	Parties involved	Key exploration works
1941	I.I. Mashkara	• Discovery of scheelite, quartz and molybdenum mineral sands in the Boguty area
1942	Geological Survey of Kazakhstan	• Exploration on rare metals in placers • Discovery of scheelite-bearing placers • Sampling of 21 scheelite-bearing veins and 1 molybdenite-bearing vein
1942-1948	Mine Department of Almaty	• Small-scale mining on the tungsten placers, producing a total of 175 t of scheelite concentrate • Excavation of four adits totaling 207 m, intercepting >5 cm quartz veins with average WO_3 grade at 0.37%
1947-1954	Kazakhstan Geology and Metals Joint Company	• 7 km^2 of surface mapping, 377 m of prospecting holes and 100 m^3 of trenches • Collection of 588 sand samples and 91 test samples • Identification of 29 quartz-scheelite vein outcrops • Collection of 168 samples from 23 veins • Assay of placer samples with scheelite of 233-583 g/m^3 in raw samples and 2,477 g/m^3 in sieved samples • Production of 17 t of placer scheelite concentrates
1961-1963	Geological Survey of Soviet Union	• Research on rare metals mineralisation and compilation of exploration targets in South Kazakhstan • Prospectivity study of stockwork-type deposits in the Boguty area
1968	Geological Survey of South Kazakhstan	• Excavation of four trenches (200 m spacing) cutting through the central part of mineralised stockwork outcrop

Year	Parties involved	Key exploration works
1969-1974	Geological Survey of South Kazakhstan; National Reserve Committee of Soviet Union	• 1:10,000 surface geological mapping • 12,176.7 m of surface drilling, 7,440.3 m of underground drilling and collection of 3,459 samples • Excavation of 30,690 m^3 of surface trenches and collection of 19,943 m or 8,452 channel samples • Development of three levels of adits with a total length of 12,987 m, including drifts and cross-cuts, and collection of 17,576 m or 7,618 channel samples from adit walls • Comprehensive geotechnical and hydrological drilling, sampling and testing • Sample collection and metallurgical testwork on 1,511 t of samples
2014-2015	Jiaxin; Behre Dolbear Asia, Inc.	• Resampling of 16 groups of check adit intervals, totaling 362 m and 181 samples • Resampling of 9 groups of check trench intervals, totaling 152 m, and collection of 76 samples • 18 diamond drill holes totaling 5,075.1 m

Source: GKZ, BD, compiled by SRK

4.4 FSU and BD exploration programs

4.4.1 Overview

The FSU program was carried out between 1969 and 1974 by the Geological Survey of South Kazakhstan. This systematic exploration program included mapping, trenching, drilling, adit development, geophysical surveys, mineralogical and petrological studies and metallurgical testwork (Figure 4.6 & Figure 4.7). The exploration lines were laid down perpendicular to the interpreted strike of the deposit, at approximately 120°-300°. Each exploration line was spaced at a nominal 50 m distance in the central part the deposit and 100-200 m towards the northeastern and southwestern ends of the deposit. No samples from the FSU program were preserved, but all exploration results were recorded systematically in a five-volume report and associated maps, compiled by the National Reserve Committee of Soviet Union (GKZ) in 1974. The results included an estimate of the quantum of mineralisation (GKZ, 1974).

Figure 4.6: Adits development — FSU program

Source: SRK site visit July 2018

Figure 4.7: Surface trenches across the deposit — FSU program

Source: SRK site visit July 2018

In 2014-2015, BD carried out further studies designed to validate the historical results from the FS program. At this time, the adits and trenches were cleared and assessed, and check samples were collected along historical adits and trenches. Surface drilling was also conducted (Figure 4.8). BD's validation program resulted in the definition of a Mineral Resource estimate in accordance with the guidelines of the 2012 JORC Code (BD, 2015).

Figure 4.8: Surface drill hole and drill core storage — BD program

Source: SRK site visit July 2018

4.4.2 Surveying

For survey projection purposes, the Pulkovo 1942/Gauss-Kruger Zone 14 coordinate system was used in the BD program. All adit portals, trenches and drill holes of the FSU program were resurveyed by a contractor using the global positioning system-real time kinematic (GPS-RTK) system. The same system was used to survey the drill holes during the BD program. Jiaxin provided the topographic map as of December 2023 of the Project area, which also used the GPS-RTK system. In the BD program, downhole surveys were measured every 50 m using REFLEX ACT™ equipment.

4.4.3 Surface trenching

In the FSU program, trenches were excavated along the exploration lines at a nominal 50 m spacing (Table 4.2). Between exploration lines 20 and 28, trenches were excavated at a closer spacing of 25 m to improve control of the geometry of the deposit. A total volume of 30,690 m^3 of material was excavated. Along the trenches, channels measuring 10 cm × 5 cm × 2 m were cut, resulting in a total length of 19,943 m, and 8,452 samples were collected using hammers and chisels. A full list of trenches excavated is shown in Appendix A.

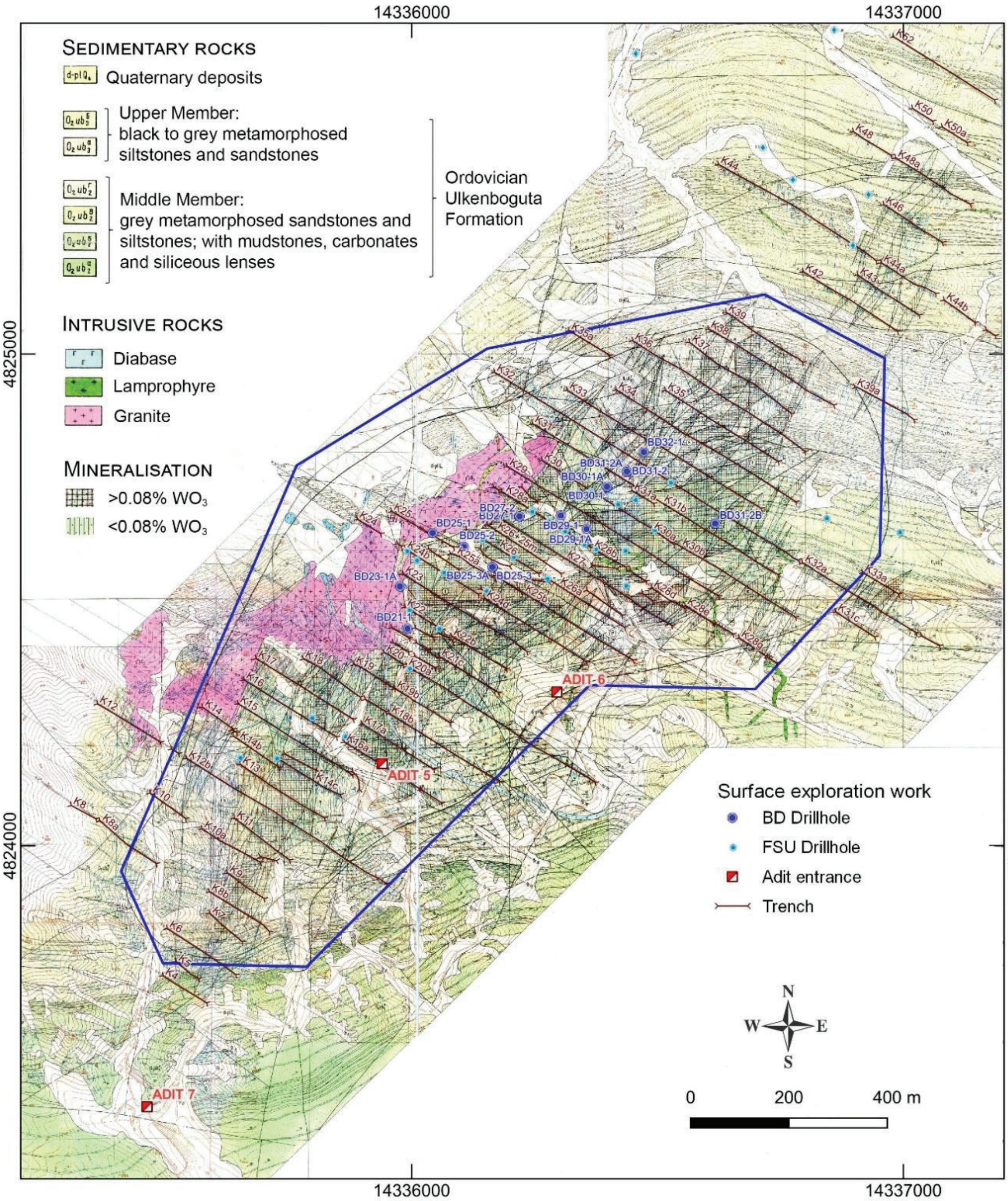
In the BD program, nine groups of trench intervals were cut, a total of 152 m, and 76 check samples were collected between exploration lines 24 and 38. SRK inspected the trenches excavated during the FSU and BD programs during the SRK site visit in 2018.

Table 4.2: List of BD trench ID and their corresponding FSU trench ID and sampling intervals

BD Trench ID	FSU Trench ID	From	To	Length
		(m)	*(m)*	*(m)*
#K34	K34	181	195	14
#K37	K37	155	165	10
#K38	K38	99	109	10
#K32	K32	410	430	20
#K31	K31b	62	82	20
#K29	K29	278	302	24
#K28	K28b	176	182	6
#K24	K24b	132	150	18
#K30	K30	242	262	20

Source: GKZ, BD, compiled by SRK

Figure 4.9: Surface exploration works



Source: modified after GKZ, BD

4.4.4 Underground sampling

In the FSU program, three levels of adits were developed: Adit 6 at 1,625 mRL, Adit 5 at 1,565 mRL and Adit 7 at 1,445 mRL. The locations of the adit portals are shown in Figure 4.9. These adits have a combined length of 12,887 m. The main drifts, measuring 3 m × 3 m, run parallel to the strike of deposit, while the cross-cuts, also measuring 3 m × 3 m, are perpendicular to strike, aligning with the exploration lines. The entire length of the north walls was sampled, approximately 1.5 m above the floor. Most of the mineralised intervals on the opposite south wall were also sampled. In total, 7,618 samples were collected, with a cumulative length of 17,576 m. The samples were collected by either hammers and chisels, or saws, from channels measuring 10 cm × 5 cm × 2 m. A full list of the developed cross-cuts is shown in Appendix B.

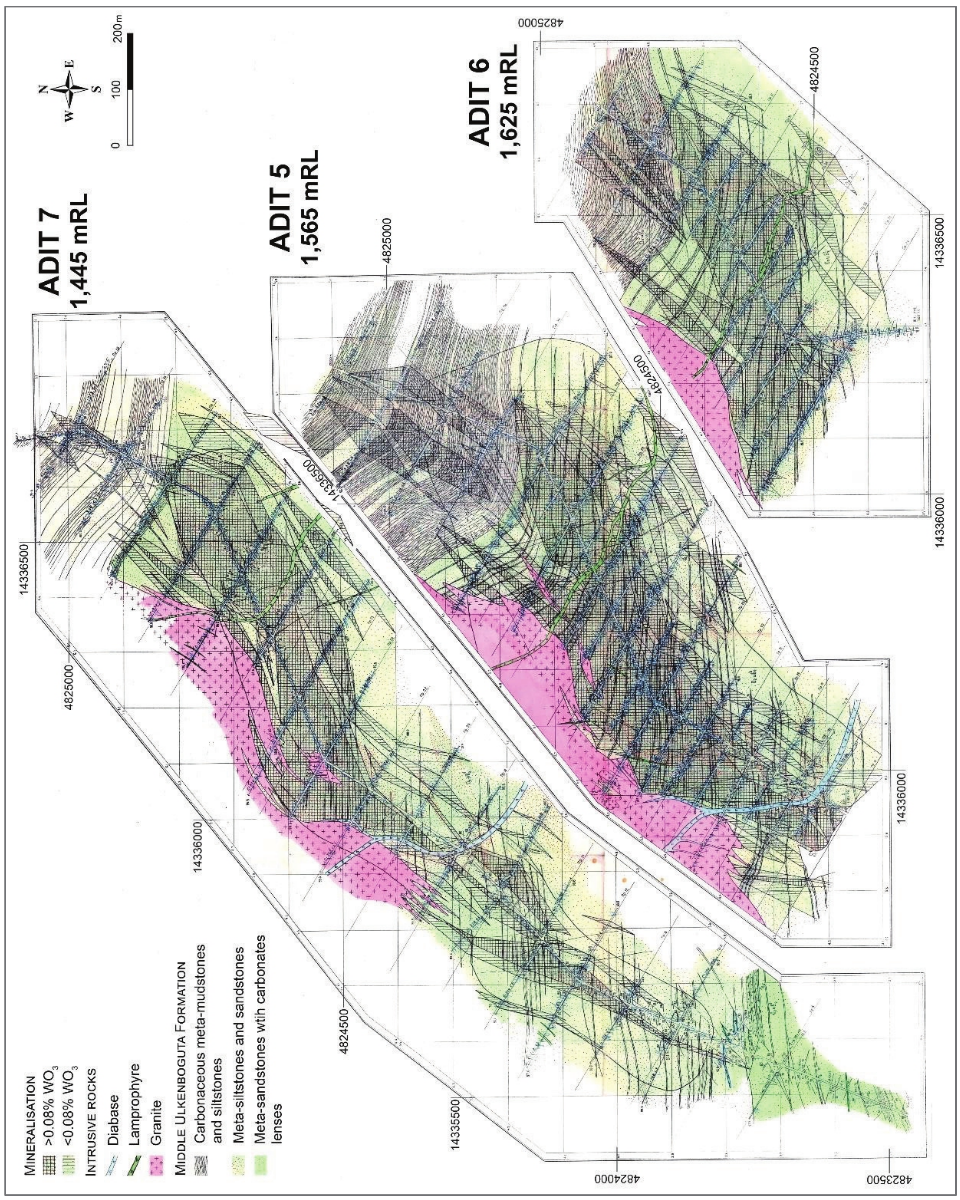
In the BD program, check sampling was conducted on 16 groups of representative intervals in adits 5 and 6, spanning exploration lines 22 to 29 (Table 4.3). A total of 181 samples, each with a 2 m length, were collected. The samples were obtained using a hammer and chisel from channels measuring 10 cm × 3 cm × 2 m. SRK inspected the channels cut by the FSU and BD programs during SRK's site visit in July 2018.

Table 4.3: List of BD cross-cut ID and their corresponding FSU cross-cut ID and sampling intervals

BD cross-cut ID	FSU cross-cut ID	From	To	Length
		(m)	*(m)*	*(m)*
#1	624C3_N	227	251	24
#2	624C3_N	81	107	26
#4	626C3_N	8	34	26
#6	627HB_N	36	60	24
#7	628C3_N	38	58	20
#8 (REVISED)	629C3_N	0	24	24
#12	518C3_N	72	92	20
#15	522C3_N	114	134	20
#14	522HB_N	10	34	24
#16	523C3_N	54	84	30
#17	524C3_N	86	106	20
#18	524HB_N	48	68	20
#21	526HB_N	4	18	14
#22	527C3_N	66	78	12
#23	528HB_N	8	24	16
EXTRA	524C3_N	0	42	42

Source: GKZ, BD, compiled by SRK

Figure 4.10: Main drifts, cross-cuts and interpreted geology in Adits 5-7



Source: modified after GKZ

4.4.5 Surface and underground drilling

In the FSU program, 38 surface drill holes were drilled in the central part of the deposit. The drill holes had a combined length of 12,176.7 m and were spaced approximately 50 m × 100 m, with wider spacing towards the fringes of the deposit. The core recovery of the surface drill holes was generally poor, ranging from 37% to 75%, with an average of 55%. The original drill log sheets were not preserved. Assay results were recorded only for the mineralised intervals, and cores were not photographed, but were sampled in their entirety. SRK was able to locate the collars of these historical drill holes during its site visit in 2018.

A total of 71 subhorizontal underground drill holes (for 7,440.3 m) were conducted across three adit levels, with the core recovery of the drill holes ranging from 31% to 96%. The primary objective of the underground drilling was to assess the extent of mineralisation encountered in the cross-cuts of the adits to help guide the underground development.

In the BD program, diamond drill holes were positioned between exploration lines 21 to 32 to verify the historical estimate of the quantum of mineralisation and investigate the extension of the mineralisation beyond Adit 7 (Table 4.4 & Table 4.5). The drill holes were initiated with PQ-size core (85 mm diameter) near the surface, followed by HQ-size core (63.5 mm diameter), and further downhole, NQ-size core (47.6 mm diameter) was used. A total of 18 diamond drill holes were drilled (5,075.1 m), with one hole being lost and three of them being redrilled as 'twinned holes' due to the premature loss of the original holes. The average core recovery rate was 95%. All the core samples were logged and photographed for geological and geotechnical (rock quality designation, RQD) analysis. The remaining halved cores were preserved in a warehouse in Almaty (Figure 4.8). Collars of BD surface drilling are shown in Figure 4.9.

Table 4.4: Details of BD drill holes

Hole ID	X	Y	Z	Azimuth	Dip	EOH
				(°)	*(°)*	*(m)*
BD21-1	14335992	4824443	1610	121.5	-85	250
BD23-1A	14335977	4824529	1620	121.5	-45	290
BD25-1	14336043	4824637	1654	121.5	-75	490.3
BD25-2	14336107	4824609	1654	121.5	-75	490
BD25-3	14336166	4824568	1660	121.5	-75	319
BD25-3A	14336165	4824568	1660	121.5	-75	383
BD27-1	14336219	4824671	1697	121.5	-75	322.8
BD27-2	14336220	4824671	1697	121.5	-60	500
BD29-1	14336304	4824673	1702	121.5	-66	54
BD29-1A	14336356	4824645	1701	121.5	-65	286.5
BD30-1	14336398	4824731	1732	121.5	-67	282
BD30-1A	14336398	4824732	1732	121.5	-67	424

Hole ID	X	Y	Z	Azimuth	Dip	EOH
				(°)	*(°)*	*(m)*
BD31-1	14336439	4824762	1734	121.5	-85	425.5
BD31-2	14336438	4824762	1735	121.5	-65	119.3
BD31-2A	14336438	4824762	1735	121.5	-65	33.9
BD31-2B	14336618	4824657	1685	301.5	-47	70.8
BD32-1	14336473	4824802	1732	121.5	-80	334

Source: BD

Note: EOH — end-of hole.

Table 4.5: Redrilled (twinned) holes

Original Hole ID	Depth	Twinned Hole ID	Depth
	(m)		*(m)*
BD23-1	LOST	BD23-1A	290
BD25-3	319	BD25-3A	383
BD30-1	282	BD31-A	424
BD31-2	119.3	BD31-2A	33.9

Source: BD

4.4.6 Sample preparation and assaying

In the FSU program, the Central Chemical Laboratory of the Regional Geology Department in South Kazakhstan was the primary analytical facility used for sample preparation and assay. To ensure quality control, umpire laboratory checks were also conducted in the Moscow Central Laboratory in the former Soviet Union.

The samples underwent a series of preparation steps. They were first crushed and pulverised to achieve a grain size of 1 mm. The assay was then performed using the wet chemistry method. A 250 g portion of the samples was heated to 600°C in a porcelain crucible and mixed with hydrochloric acid to decompose elements that could interfere with the analysis. The resulting solutions were combined with 20 mL of sodium peroxide, 30% potassium thiocyanate, and 1.5% titanium trichloride. Once the color development process was complete, the solutions were transferred to a 20 mm cuvette for photoelectric colorimetry analysis. To compare the color intensity, a standard solution of 0.0001 g/mL WO_3 (equivalent to 100 ppm or 0.01% WO_3) was used.

In the BD program, the drill cores were halved using a diamond saw. All samples were submitted to ALS Kazlab LLP, Kazakhstan, for preparation.

All trench and adit channel samples, together with approximately 60% of the drill samples, were sent to ALS Chita, Russia (ALS Chita), for analysis. Approximately 20% of the drill samples were sent to ALS Guangzhou, China (ALS GZ), and the remaining 20% were sent to Intertek Beijing (Intertek). BD reasoned that the atypical practice of using three principal laboratories would expedite the entire program.

In ALS Kazlab, all samples were pulverised to 85% <75 μm. The prepared samples sent to ALS Chita were initially assayed using ME-ICP61 procedure where tungsten digestion is partial and tungsten content is reported as tungsten percentage (W%). All samples with values greater than 0.03% W were then re-run using the total digestion, fusion ME-ICP81x procedure, in which 0.1 g prepared samples were mixed with 1.1 g sodium peroxide flux and fused in a zirconium crucible heated to 700°C. The resulting melt is cooled and dissolved in dilute hydrochloric acid. This solution is then analyzed by ICP-OES (inductively coupled plasma-optical emission spectroscopy) and the results are corrected for spectral inter-element interferences. Total tungsten (W) is reported as per cent tungsten within the range of 0.01% W to 30% W. ALS GZ used the same procedure as ME-ICP81x but reported in WO_3 %. The Intertek tungsten procedure was also a sodium peroxide fusion (but in a nickel crucible), with per cent tungsten results reported from ICP-OES.

SGS Vostok Laboratory, Russia (SGS), was used as the umpire laboratory, and applied the same analytical procedure as ALS Chita, under the code ICP90A, and the result was reported in W ppm.

4.4.7 Sample preparation and assaying

In the FSU program, a total of 195 samples and six bulk samples were described for obtaining the average density value for the mineralised sandstone and sandstone-shale unit. An average specific gravity value of 2.74 t/m^3 was used for the host sediment to the mineralisation.

In the BD program, samples for density measurement were collected at 10 m intervals within each drill hole. These samples were measured by the water immersion method. In total, 403 samples were collected from the sandstone and sandstone-shale unit that hosts the mineralisation, and 37, 4 and 2 samples were collected from the granite, diabase and lamprophyre units, respectively, all of which are considered barren (Table 4.6).

Table 4.6: Specific gravity of major rock types

Rock type	Average specific gravity value (t/m^3)	Number of samples
Sediment	2.74	403
Granite	2.64	37
Diabase	2.79	4
Lamprophyre	2.72	2

Source: BD

4.4.8 Quality assurance and quality control

In the FSU program, pulp duplicates and inter-laboratory checks were used as part of the quality assurance and quality control (QAQC) procedures. No blanks or certified reference materials (CRMs) were employed.

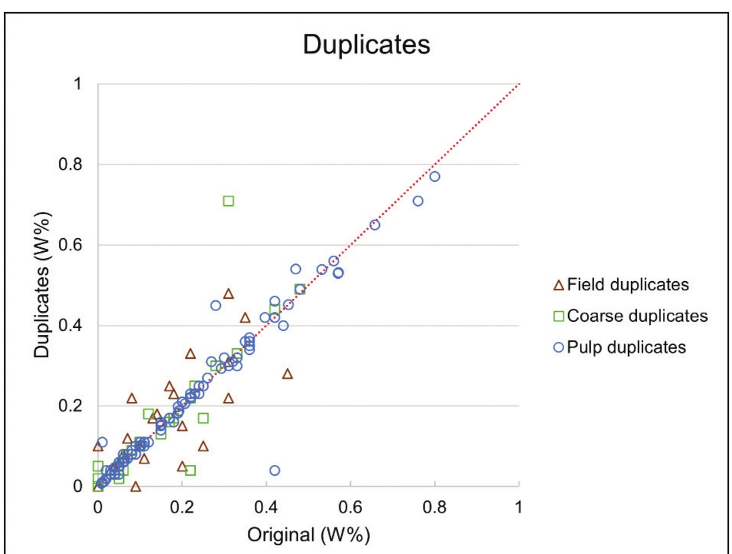
The BD program comprised several QAQC protocols. One pulp duplicate, one blank and one CRM were included at rate of approximately every 30 samples. Additionally, during the early trench and adit resampling, one field duplicate and one coarse duplicate were inserted to assess the homogeneity of mineralisation.

Duplicate

In the FSU program, 1,946 pulp duplicates were assayed, equivalent to 6.35% of all samples. The results demonstrated a good level of reproducibility.

In the BD program, a total of 25 field duplicates, 25 coarse duplicates and 106 pulp duplicates were assayed. The field duplicates showed relatively poor reproducibility, primarily due to the heterogeneity of mineralisation. However, once the samples were crushed, ground and homogenised, the performance of coarse and pulp duplicates improved, resulting in better reproducibility. There was no evidence of significant bias in the results (Figure 4.11).

Figure 4.11: BD duplicates

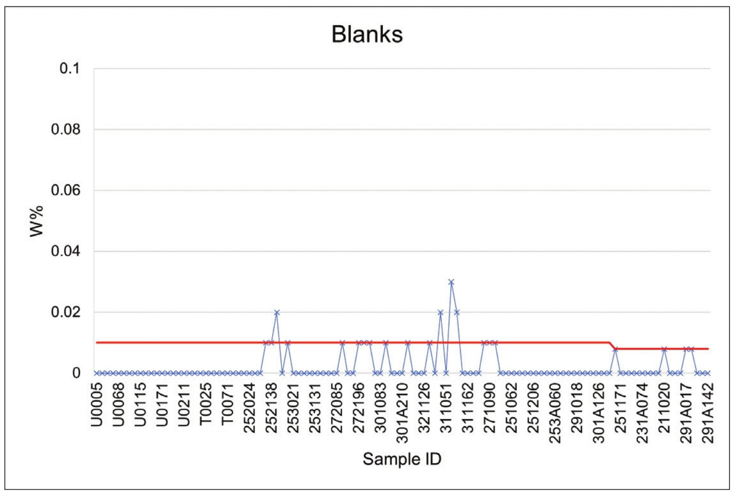


Source: modified after BD

Blanks

In the BD program, a total of 113 blanks were inserted. Most of the samples (all except four) reported values of ≤0.01% W, which is just at the detection limit. Three of the samples reported results of 0.02% W or 0.03% W, slightly above the detection limit (Figure 4.12). These findings provide strong assurance that no contamination was introduced during the sample preparation and assay processes.

Figure 4.12: BD blanks



Source: modified after BD

Note: Solid red line represents the detection limit.

Standards

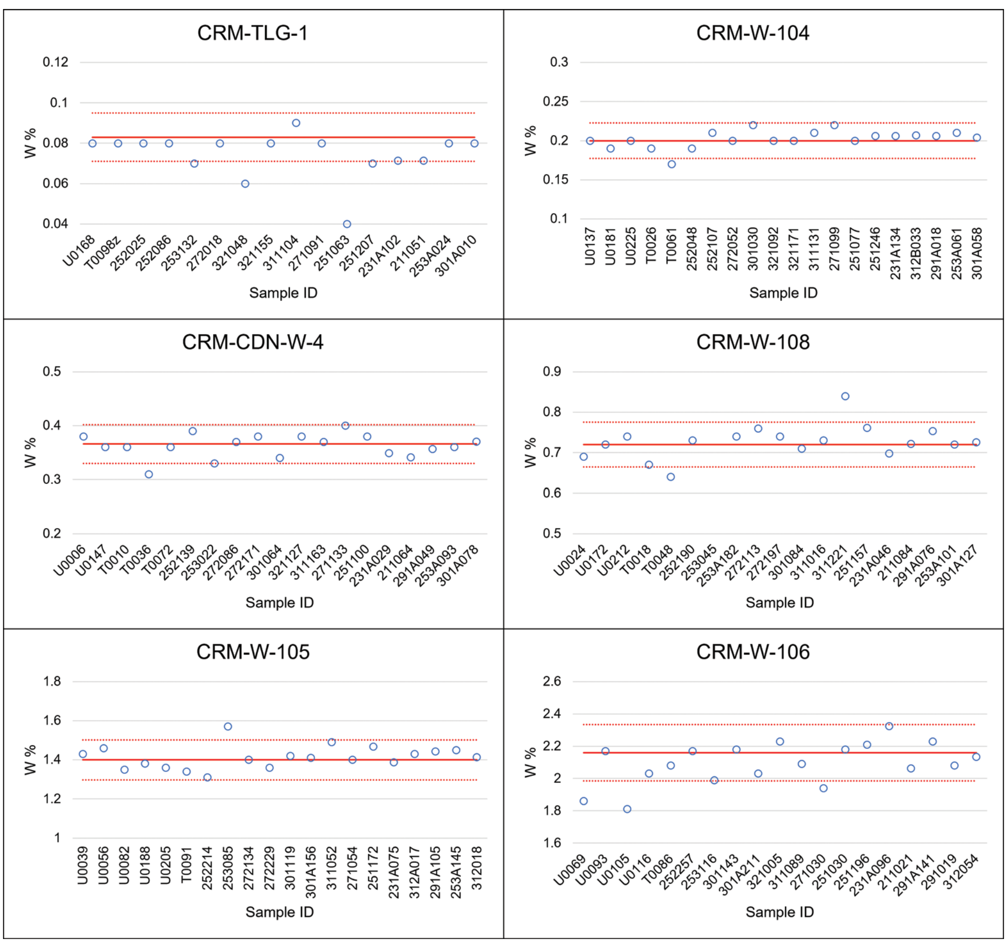
In the BD program, six CRMs with varying tungsten concentrations were employed. Table 4.7 presents the expected values along with their ±3 standard deviations (SD). A total of 113 CRMs were incorporated into the sample stream. Most of the results fell within the acceptable range of ±3SD. While a few CRM results deviated from the expected values, typically showing lower readings, there was no clear evidence of significant bias overall (Figure 4.13).

Table 4.7: List of CRMs used in the BD program

Name of CRM	Certified value	Standard deviation
	(W%)	
CRM-TLG-1	0.083	0.004
CRM-W-104	0.20	0.0076
CRM-CDN-W-4	0.366	0.012
CRM W-108	0.72	0.0185
CRM W-105	1.40	0.0341
CRM W-106	2.16	0.0583

Source: BD

Figure 4.13: BD CRMs



Source: modified after BD

Note: Solid red line represents the certified value while the dotted lines indicate the ±3SD levels.

Independent laboratory checks

In the FSU program, a total of 2,211 samples, accounting for 7.45% of the original samples were sent to Moscow Central Laboratory for inter-laboratory checks. SRK noted that the results showed a high level of reproducibility in the assay results.

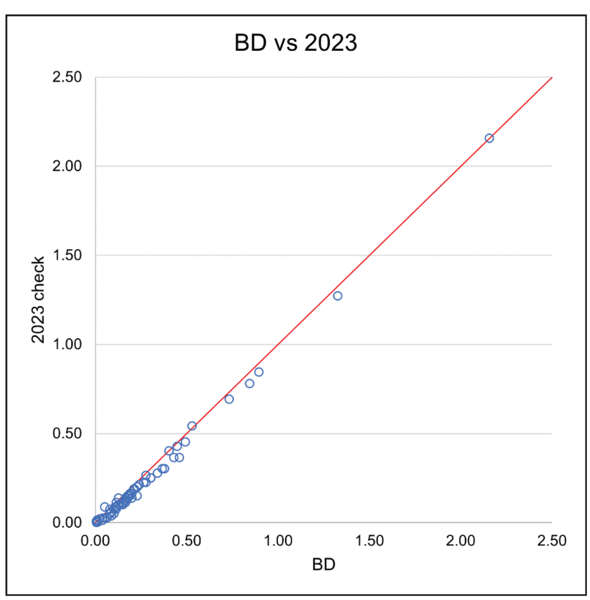
In the BD program, round robin tests among the three laboratories engaged (ALS Chita, ALS GZ and Intertek) were performed and SGS served as the umpire laboratory. A total of 182 pulp samples were re-assayed at SGS and showed good correlation.

4.4.9 SRK verification

SRK visited the Project site in July 2018. This site visit involved examining the historical exploration work conducted during the FSU and BD programs. Surface trenches and drill hole collars were inspected. Channels collected along underground adits and trenches cut were also examined. The stored drill cores and pulp samples from the BD program were reviewed in a warehouse in Almaty. SRK conducted spot-checks on some of the drill core intervals.

In November 2022, SRK independently collected 72 pulp samples from the BD program undertaken in 2014-2015. These pulp samples were the remains of samples obtained from trenches, adits and drill holes taken at various locations and with different WO_3 grades. The samples were submitted to ALS Karaganda in Kazakhstan for sample preparation and then dispatched to ALS Ireland for analysis using the ME-ICP61 and ME-ICP81x methods, which are the same analytical methods used in 2014. The results of these 72 check samples show very good reproducibility compared to the 2014 results (Figure 4.14).

Figure 4.14: SRK check samples



Source: SRK

4.4.10 Conclusion

BD program

The QAQC results of the BD program as well as a review of the sampling procedures and preparation indicate that there are unlikely to be significant issues with the sample preparation procedures. The blank results suggest that there are no contamination issues. The data from the CRMs fall within the ±3SD range of the expected values and do not exhibit any systematic bias. Independent check sampling conducted by SRK in 2022 also demonstrated good reproducibility of the results. The density measurement procedures are appropriate, and the average density value is the same value determined by the FSU. Overall, SRK considers the assay and density data obtained during the BD program to be reliable and suitable for Mineral Resource estimation.

FSU program

For the FSU program, the core recoveries for the surface drilling were poor, ranging from 37% to 75%, with an average of 55%, and underground drilling was conducted across three adit levels, with the core recovery of the drill holes ranging from 31% to 96%. SRK considers the drilling results are of insufficient quality for Mineral Resource estimation, but they can be used for grade shell modeling.

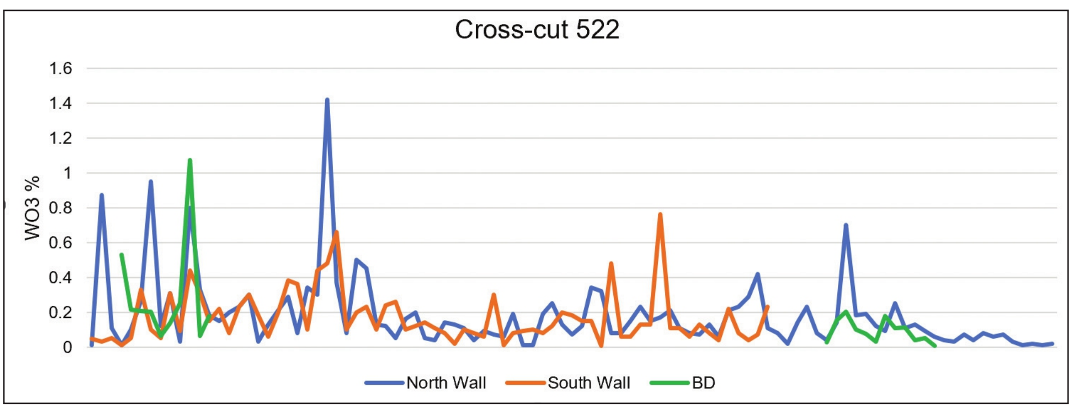
The pulp duplicate and inter-laboratory results were satisfactory, but no blanks or CRMs were used in the analysis. The sample collection and preparation procedures described for the expansive exploration program appear to be appropriate, and the relicts of the adits and trenches were also observed. However, samples were not preserved from the FSU program for any check assay. SRK therefore conducted an analysis of the BD and FSU datasets, as well as a comparison between the two datasets.

4.5 FSU and BD programs data analysis

4.5.1 FSU north and south walls

In the FSU program, the north wall of each cross-cut was sampled along its entire length, and subsequently, most of the mineralised intervals in the opposite south wall were also sampled. Figure 4.15 presents an example of sampling results on the north and south walls along Cross-cut 522 in Adit 5 as well as the BD check sampling results. The results indicate that the presence of mineralisation and its trend can be confirmed through opposite wall sampling in the FSU program, as well as sampling conducted by BD in its program. However, the results also highlight the nature of heterogeneity or variation over short distances of the mineralisation. The poor reproducibility of check sampling results is particularly noticeable in the high-grade intervals.

Figure 4.15: Comparison of different assay data along Cross-cut 522

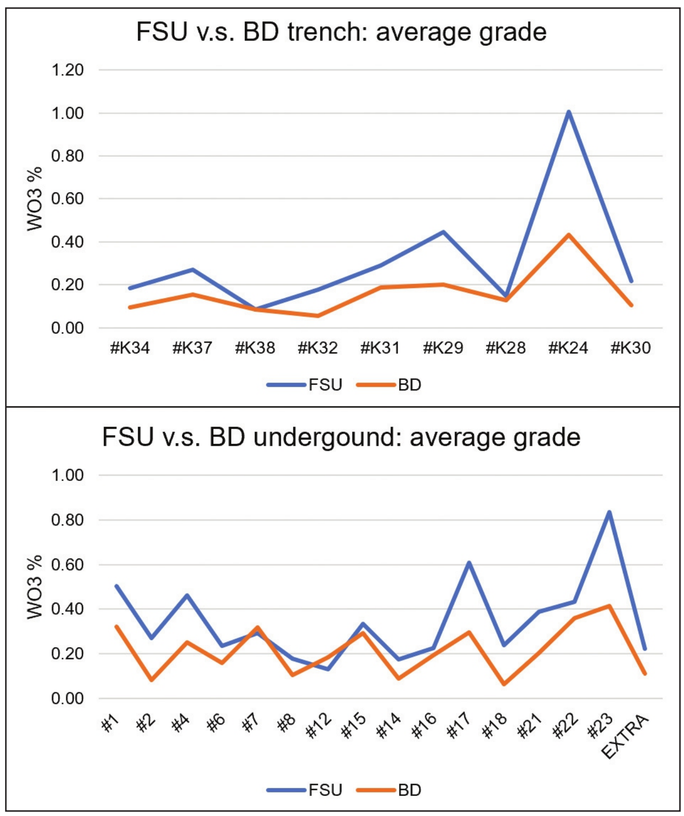


Source: GKZ, SRK analysis

4.5.2 FSU and BD check sampling

The BD program also involved sampling representative intervals in the trenches and adits excavated during the FSU program. The average grades of samples collected in these two programs are presented in Figure 4.16. The results show that the samples from the FSU program generally have higher average grades compared to the check samples collected during the BD program.

Figure 4.16: Comparison of average grades in FSU and BD trench and adit samples



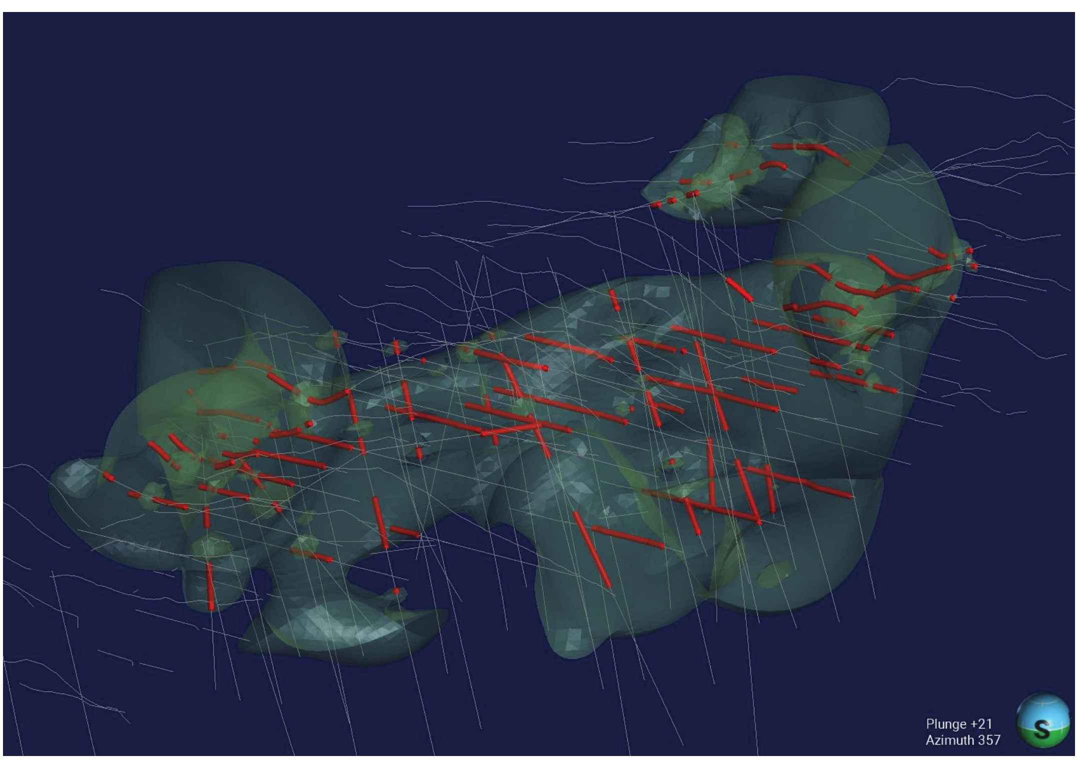
Source: GKZ, BD, SRK analysis

4.5.3 FSU and BD data comparison

Given the heterogeneity of the mineralisation, SRK's data comparison involved several steps:

- 0.08% WO_3 grade shells were created by using the combined unfiltered FSU and BD data.
- For the FSU program, a simplified dataset was prepared by excluding the south wall data and drilling data. The south wall data were used for check sampling of the mineralisation and were excluded to avoid duplication. All drilling data were excluded due to their poor recovery.
- All BD data were used.
- The simplified FSU and BD data were composited to 2 m lengths.
- Buffers were generated within a 50 m radius of the BD and FSU sampling locations.
- The composited samples within the intersecting volumes of the 0.08% WO_3 grade shells and the buffers were evaluated (Figure 4.17).

Figure 4.17: Intersection grade shell and >0.08% WO_3 composites in the comparison



Source: SRK

Table 4.8: Basic statistics for composites of BD and FSU datasets

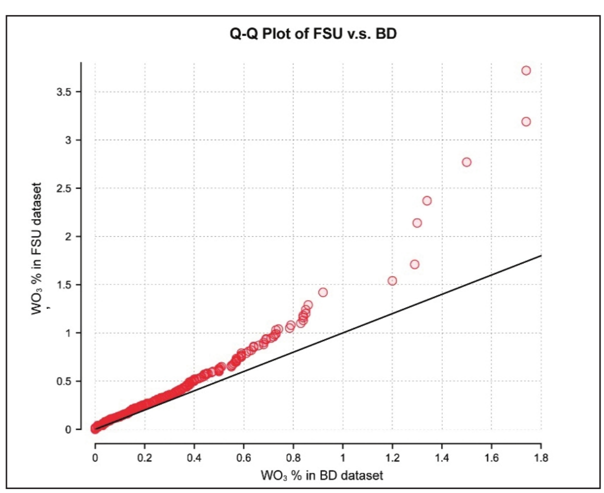
	BD	FSU
No. of samples	582	1,601
Length (m)	1,083.7	2,987.1
Min. WO_3 %	0.00	0.00
Mean WO_3 %	0.21	0.28
Max. WO_3 %	1.74	3.72
Standard deviation	0.23	0.35

Source: SRK

The basic statistics of the two datasets are presented in Table 4.8. Figure 4.18 shows the FSU and BD datasets on the quantile-quantile (Q-Q) plot. There is an apparent systematic positive bias, starting at approximately 0.45% WO_3 for the FSU dataset or 0.37% WO_3 for the BD program.

The pulp duplicates and inter-laboratory checks conducted during the FSU program both yielded reasonable results. It is speculated that the bias could be attributed to the sample preparation of relatively high-grade samples or issues with the analytical procedures involving wet chemistry, such as the precision of the colorimeter or standard solution. In the BD report, a similar positive bias of the FSU program samples was also identified, and the authors interpreted it as being due to an issue related to sample preparation for high-grade samples (Figure 4.18).

Figure 4.18: Q-Q plot of FSU and BD datasets



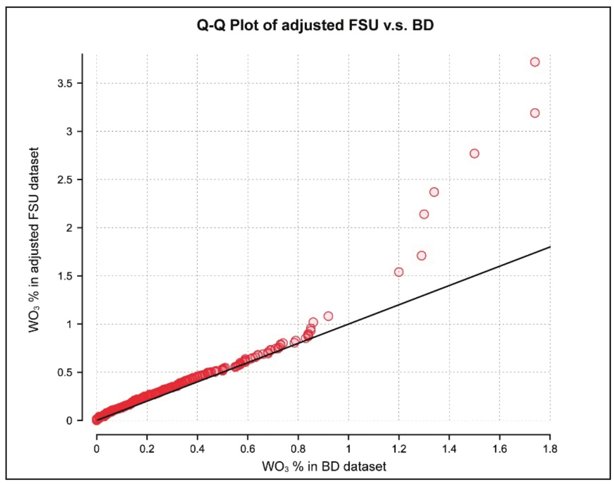
Source: SRK

4.5.4 FSU and BD data adjustment

To adjust the apparent positive bias of the data collected from the FSU program, a regression formula between 0.45% and 0.90% WO_3 (FSU data) was established, resulting in the equation 'y = 0.6364x + 0.1341'. No adjustments were made for data >1.5% WO_3 as all such data are expected to be subject to grade-capping in the Mineral Resource estimation process.

The Q-Q plot of the adjusted data is presented in Figure 4.19.

Figure 4.19: Q-Q plot of comparison dataset after adjustment



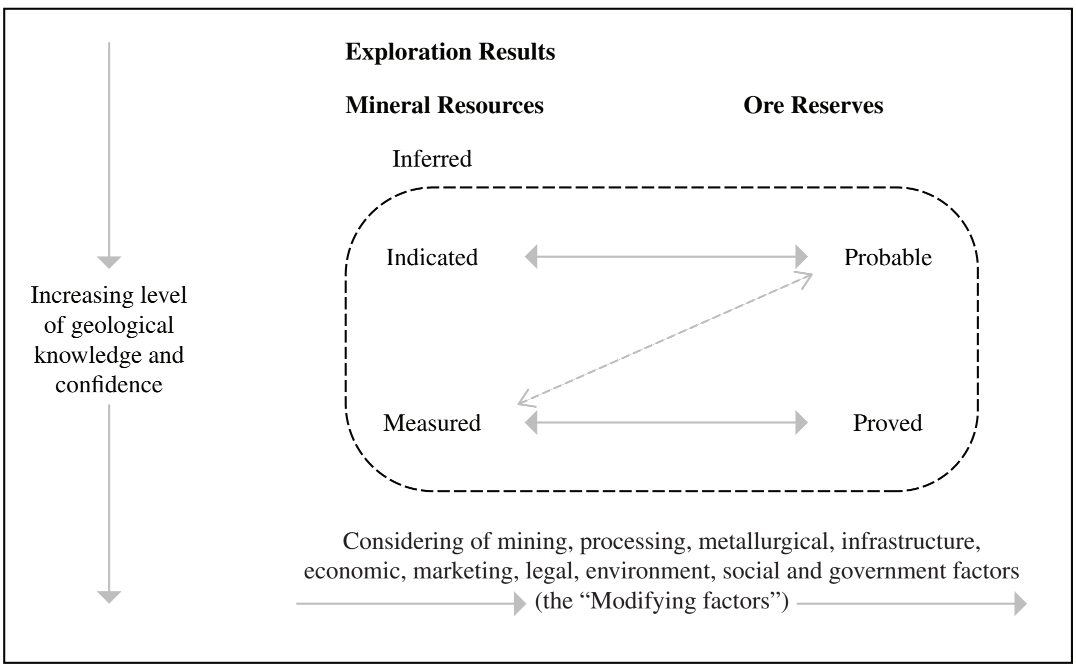
Source: SRK

5 MINERAL RESOURCE ESTIMATION

5.1 Introduction

The JORC Code states that '*A Mineral Resource is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade (or quality), and quantity that there are reasonable prospects for eventual economic extraction*'. Mineral Resources are classified as Measured, Indicated and Inferred according to the degree of geological confidence (Figure 5.1).

Figure 5.1: General relationship between Exploration Results, Mineral Resources and Ore Reserves



Source: JORC Code, 2012

The following sections summarize the key assumptions, parameters and methods that were used to estimate the Mineral Resources for the deposit.

5.2 Mineral Resource estimation procedures

Leapfrog software (version 2023.1) was used to generate the geological and mineralisation models used to construct the geological solids, prepare assay data for statistical/geostatistical analysis, construct the block model, estimate WO_3 grade and tabulate Mineral Resources.

The estimation methodology involved the following procedures:

- Database compilation, verification as well as adjustment
- Definition of a Resources Domain by grade shell
- Construction of wireframe models for the other domains, including fault network, granite, sediments and the dykes
- Exploratory data analysis (compositing and capping) and geostatistical analysis using variography
- Block modeling and grade interpolation
- Mineral Resource estimation and validation
- Assessment of 'reasonable prospects for eventual economic extraction' and selection of appropriate reporting cut-off grades
- Classification of the Mineral Resources.

5.3 Historical estimation

In addition to the historical quantum of mineralisation estimate during the FSU program, BD prepared a Mineral Resource estimate in accordance with the JORC Code (2012). Several Chinese design institutes have also prepared quantum of mineralisation estimates according to the Chinese standards. The results of these estimation exercises are presented in Table 5.1.

SRK has conducted a review of the Mineral Resource estimate prepared by BD in 2015. The review revealed that BD noted the presence of the apparent bias in the historical data, but did not address the issue in its Mineral Resource estimate. Furthermore, SRK identified a flaw in the geological model created by BD: the model incorporated a significant amount of unmineralised material within the orebody domain. As a result, the resulting Mineral Resource exhibits a high ore tonnage, but a low average WO_3 grade. Based on these findings, SRK considers the Mineral Resource estimate is unreliable.

Table 5.1: Historical resource estimates

Year	Reporting parties	Cut-off grade	Volume	WO_3 grade	Contained WO_3
			(Mt)	*(%)*	*(kt)*
	Quantum of mineralisation estimate				
1974 . . .	GKZ	0.05%	169	0.180	309
2015 . . .	Changchun Gold Design Institute	0.12%	126	0.226	285
2020 . . .	ENFI	0.08%	124	0.216	267
	Quantum of mineralisation estimate within pit shell				
1974 . . .	GKZ	0.05%	133	0.182	242
2015 . . .	BD	0.08%	197	0.159	312
2015 . . .	Changchun Gold Design Institute	0.12%	109	0.229	250

Source: compiled by SRK

Note: Numbers are rounded.

5.4 Database compilation and validation

5.4.1 Topographic wireframe

Pre-stripping was completed in September 2023 and mining operations began in November 2024. A regular topographical survey was conducted using the GPS-RTK method. The topography, surveyed in December 2023, was provided by Jiaxin. The topography data were imported and checked in Surpac. SRK was also provided with the topography prior to the commencement of any construction activities.

5.4.2 Estimation datasets

The dataset used for Mineral Resource estimation purposes include all FSU and BD data except the drilling data from the FSU program (Table 5.2). The FSU data have been adjusted as described in Section 4.5.4.

Table 5.2: Summary of database used for Mineral Resource estimation

Method of sampling	Profiles	Assay records
	(m)	
FSU Trenches	19,943	8,452
FSU Adits	17,576	7,618
BD Trench resamples	152	76
BD Adit resamples	362	181
BD Drilling	5,075.1	2,474

Source: compiled by SRK

5.5 Wireframe modeling

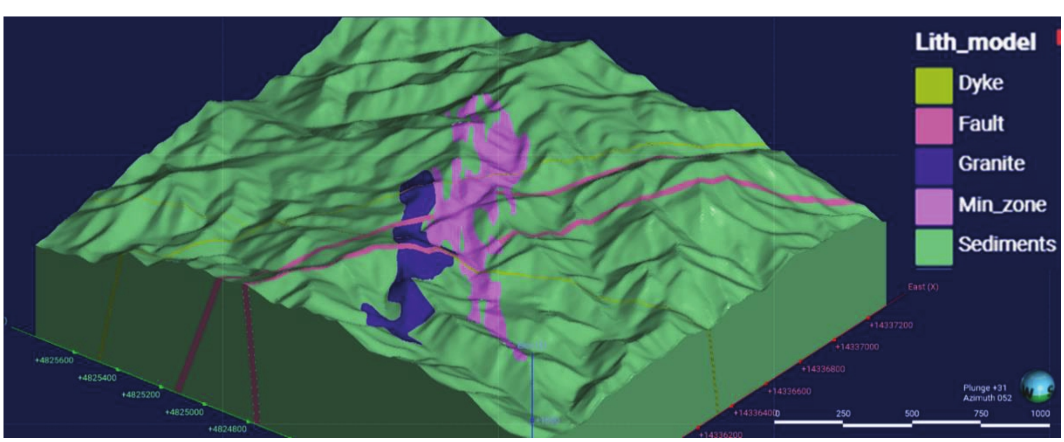
For the geological models of granite, sediments, faults and dykes, SRK delineated the polylines based on the section and levels interpretation maps of the FSU program. From these polylines, the geological model was constructed in Leapfrog.

The grade shells were built using a radial basis function (RBF) in Leapfrog software (Table 5.3). A 0.08% WO_3 threshold was used to define the mineralised volume. There is an apparent break in the histogram of raw data — at 0.08% WO_3. In addition, sectional interpretation showed that using a threshold lower than 0.08% WO_3 will incorporate a large amount of barren materials such as granite in the grade shells. SRK conducted testing and adjustments through various scenarios, using all available information (trenches, adits and drill holes), as well as sections and level plan maps, to ensure the final grade shell accurately represents the mineralisation continuity. The complete geological model for the deposit area is shown in Figure 5.2. The Resources Domain outlined by grade shells is presented in Figure 5.3.

Table 5.3: Parameters used for grade shells generation by RBF

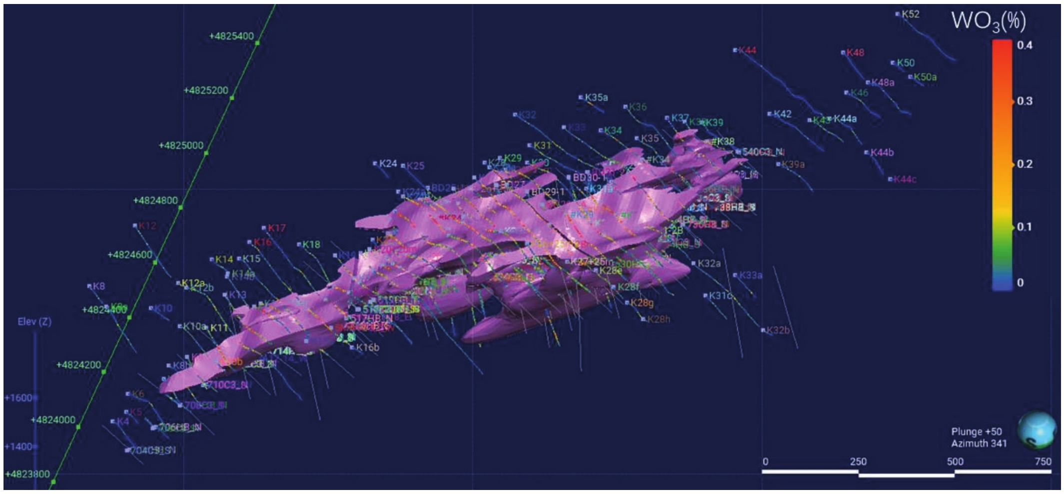
Composite length	6 m		
Global Trend	**Dip**	**Dip Azimuth**	**Pitch**
Directions	80°	310°	0°
	Maximum	**Intermediate**	**Minimum**
Ellipsoid Ratios	5	5	1
Interpolant	Spheroidal		
Sill	0.04		
Nugget	0.01		
Base Range	300		

Figure 5.2: Geological model defined by SRK



Source: SRK

Figure 5.3: Resources Domain defined by SRK



Source: SRK

5.6 Exploratory data analysis

Table 5.4 shows the exploratory data analysis for WO_3 for the estimation dataset listed in Table 5.2, including all BD raw samples and adjusted FSU samples, as discussed in Section 4.5, within all domains.

Table 5.4: Basic statistics for WO_3 in the estimation dataset within all domains

Item	All data
Number of samples	18,786
Minimum value	0.00
Maximum value	5.11
Mean	0.13
Variance	0.05
Standard Deviation	0.22
Coefficient of variation	1.64

Source: SRK

5.6.1 Compositing

An underlying assumption for many geostatistical methods of grade estimation is that the input grade data are on a constant 'support' (mass and shape). Therefore, before conducting interpolation, it is normal practice to composite the samples to a consistent length.

SRK conducted a sample composite analysis to determine the most suitable composite length for grade interpolation. This analysis involved examining variations in composite length and the minimum composite lengths for inclusion. The analysis compared the average grade obtained from composites against the length-weighted average grade of the individual raw samples. Additionally, it assessed the percentage of total sample length that would be excluded when applying the minimum composite length.

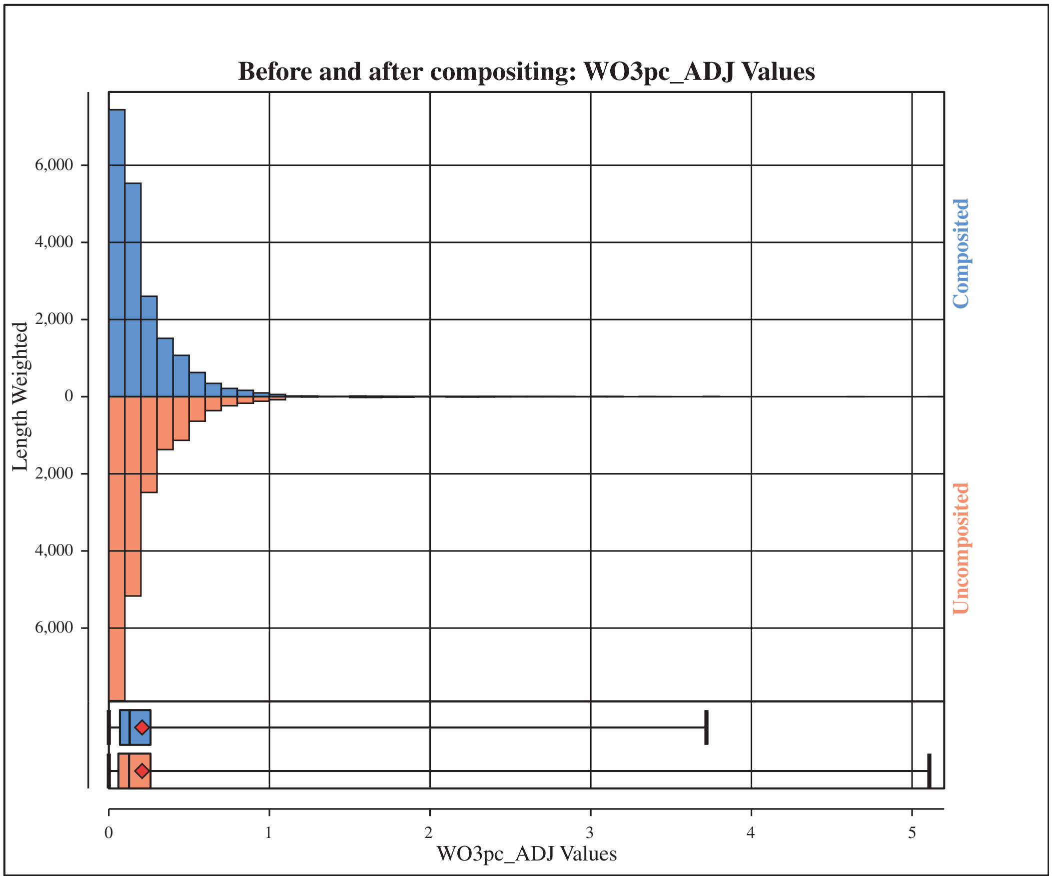
For the Resources Domain (grade shell), the raw samples were composited at intervals of 2.0 m. A minimum coverage of 0.5 m was selected to ensure sufficient representation of the mineralisation was achieved. The basic statistics and histograms for each domain are provided in Table 5.5 and Figure 5.4, respectively.

Table 5.5: Basic statistics for composite values — Resources Domain

Item	Raw data	Composited
Number of samples	10,017	9,919
Minimum value	0.00	0.00
Maximum value	5.11	3.72
Mean	0.21	0.21
Variance	0.07	0.06
Standard Deviation	0.26	0.24
Coefficient of variation	1.26	1.18

Source: SRK

Figure 5.4: Frequency statistics on composites and raw samples — Resources Domain



Source: SRK

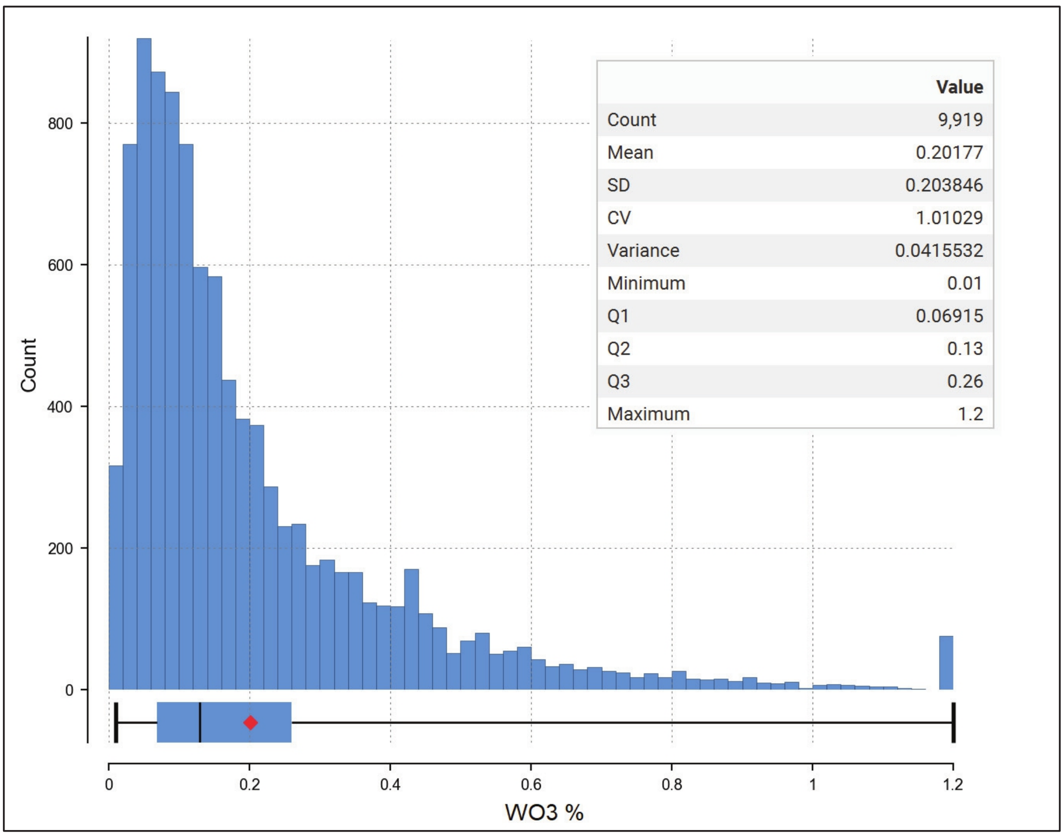
5.6.2 Capping

For some estimates, grade capping may be appropriate to control the influence of the highest-grade samples or composites. After reviewing the composited samples, SRK elected to apply capping to the current estimate. To determine the appropriate capping levels, SRK performed an analysis of the grade distributions using cumulative frequency analysis. The objective of this analysis was to identify the grades at which samples significantly impact the local estimation and exhibit an extreme influence.

Based on the analysis of cumulative frequency for all composites, a grade capping level of 1.2% WO_3 was used. The statistics and histogram of capped composites are presented in Figure 5.5.

In general, SRK aims to limit the impact of the capping to less than 5% change in the mean value. However, in cases with extreme outliers, the change in the mean exceeds 5%. In this Project, a total of 74 composites scattered throughout the deposit are capped, equivalent to 0.8% of total composites. The average grade of uncapped composites is 0.207% for WO_3, while the average grade of capped composites is 0.202%. The difference therefore falls within the acceptable 5% limit on change in mean value.

Figure 5.5: Capped composites frequency



Source: SRK

5.7 Variogram modeling

Variogram modeling for the Resources Domain was conducted using Leapfrog Edge. The variogram fitting process was completed in the following steps:

- The nugget was determined by the downhole variogram.
- Based on 3D visualization of grade data, the plane of maximum continuity of mineralisation was interpreted as dipping 80° towards 315°.

- Within this plane, the direction of maximum continuity was selected as the major axis of the variogram anisotropy ellipsoid.

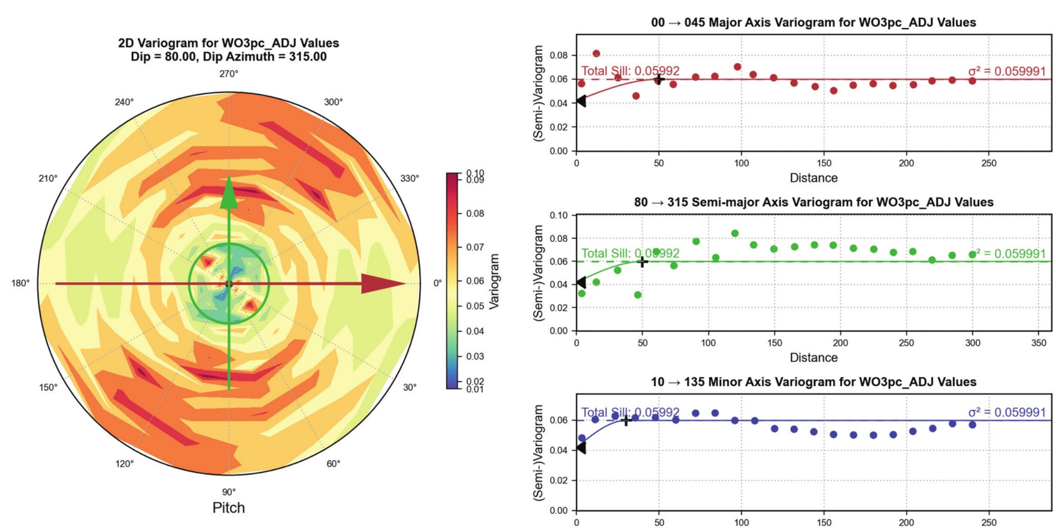
- The perpendicular direction within the plane was taken as the semi-major axis of the anisotropy ellipsoid.

- The direction perpendicular to the plane was used as the minor axis of the anisotropy ellipsoid.

- The variogram model was set to fit the three principal directions and checked against other directions.

Figure 5.6 shows an example of the variogram map and fitted variogram model of the Resources Domain.

Figure 5.6: Variogram map and fitted model — Resources Domain



Source: SRK

5.8 Block model and grade estimation

5.8.1 Block model parameters

SRK produced the block models for all Resources Domains with dimensions of 10 m × 10 m × 5 m (East × North × Elevation) in Leapfrog Edge, and no sub-blocking and rotation has been allowed. The details of the block model origin and local dimensions are shown in Table 5.6.

Table 5.6: Summary of block model parameters — Resources Domain

Dimension	Base point	Block size	Boundary size
		(m)	*(m)*
X	14,335,230	10	2,080
Y	4,823,490	10	2,290
Z	1,860	5	765

Source: SRK

5.8.2 Grade estimation

Block accumulation and true thickness values were interpolated using the Ordinary Kriging (OK) method. Quantitative Kriging Neighbourhood Analysis (QKNA) was used to optimize the estimation neighbourhood. During the grade estimation, the dynamic ellipsoid and multiple search runs were also applied.

The parameters used for the Mineral Resource estimation are summarized in Table 5.7.

Table 5.7: Parameters used for Mineral Resource estimation

			Variogram						Search distance		
Domain	Item	Run	Nugget	Sill	Major range	Minimum number of samples	Maximum number of samples	Drill hole sample limits	Major	Semi-major	Minor
					(m)					*(m)*	
Resources Domain	WO_3	1	0.04	0.059	50	4	24	6	100	100	60
		2	0.04	0.059	50	2	18	6	150	150	90
		3	0.04	0.059	50	2	12	6	200	200	120

Source: SRK

5.9 Model validation

SRK completed block model validation to confirm the reasonableness of the estimation parameters and estimation results. SRK adopted the following methods for validation purposes:

- Visual validation of block grades against drill hole grades
- Trend analysis.

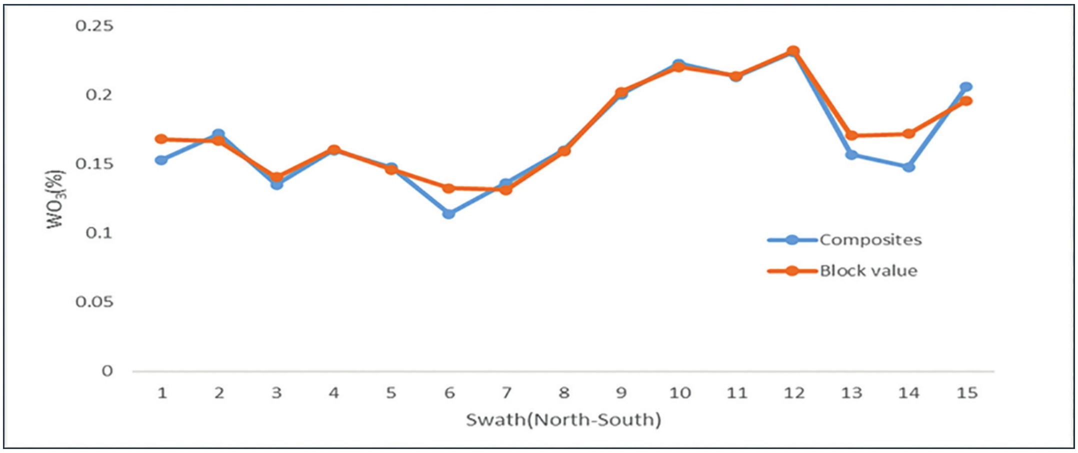
SRK performed visual validation of the longitudinal views and cross section view of the drill holes or channel grades and the block model grades. This validation process demonstrated good correlation between local block estimations and nearby samples, without excessive smoothing in the block model.

Figure 5.7 to Figure 5.9 show the swath plots of the Resources Domain, for example, in the east-north, north-south and elevation planes. Figure 5.10 and Figure 5.11 provide the 3D and cross section of Resources Domain, respectively. The global resource within the Resources Domain, limited by the topographic survey prior to pre-stripping, is presented in Table 5.8 and the grade-tonnage curve is presented in Figure 5.12.

Figure 5.7: Swath plot along east-west direction

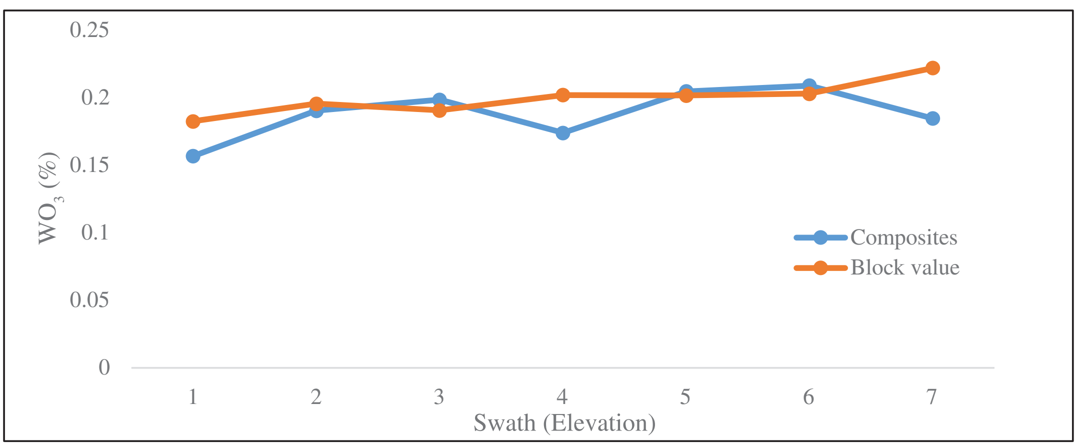
Source: SRK

Figure 5.8: Swath plot along north-south direction



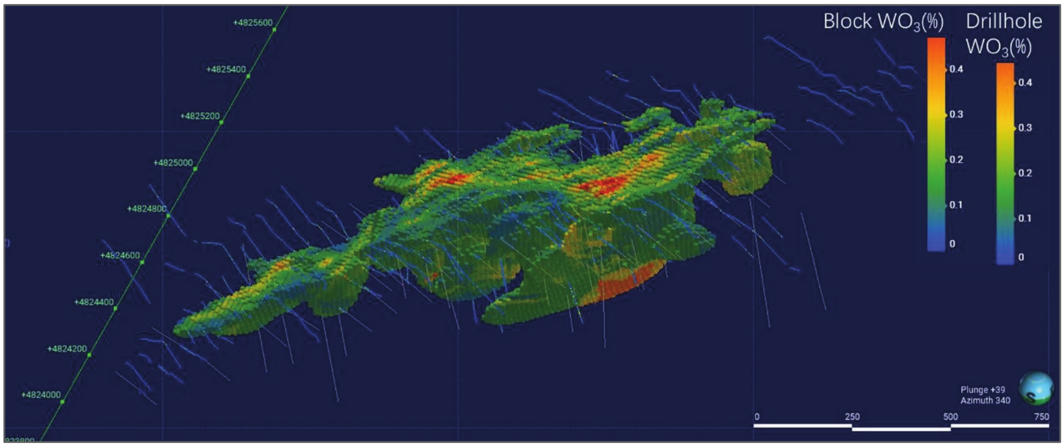
Source: SRK

Figure 5.9: Swath plot along elevation direction



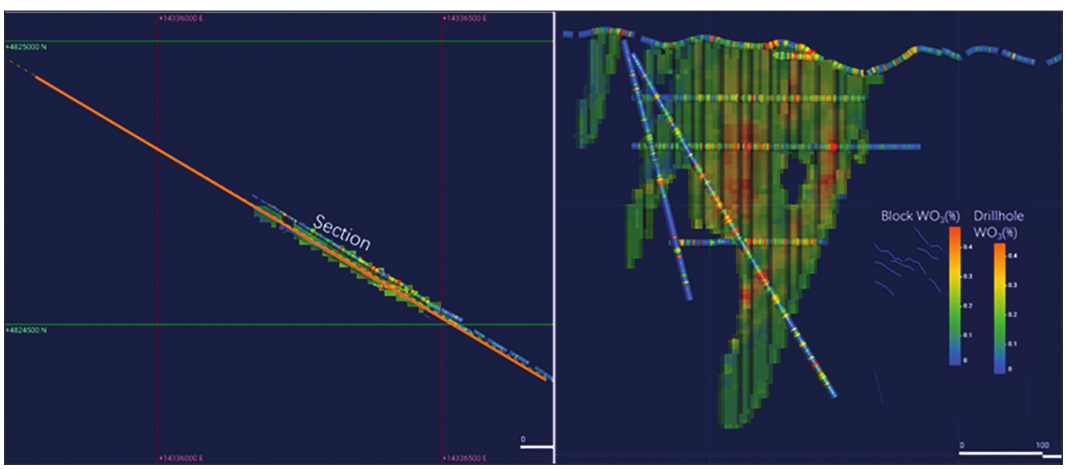
Source: SRK

Figure 5.10: 3D view — Resources Domain



Source: SRK

Figure 5.11: Cross section — Resources Domain



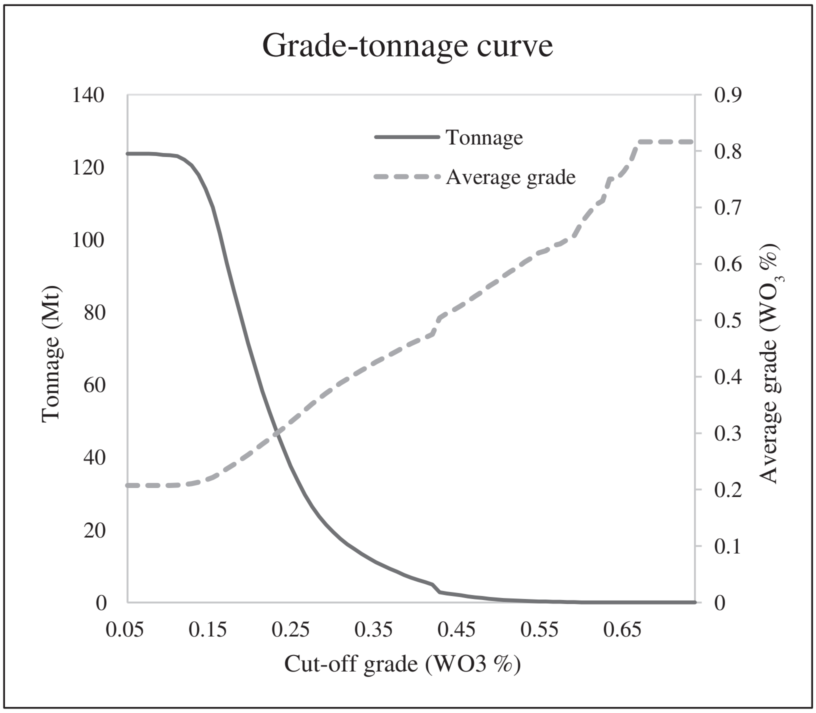
Source: SRK

Table 5.8: Global resource within the Resources Domain

Tonnage	Average grade	Contained WO_3
(Mt)	*(WO_3 %)*	*(kt)*
123.8	0.208	257.5

Source: SRK

Figure 5.12: Grade-tonnage curve



Source: SRK

5.10 Classification

Mineral Resource classification should consider several factors, including the confidence level in the geological continuity of the mineralised structures, the quality and quantity of exploration data supporting the estimates, and the geostatistical confidence in the tonnage and grade estimates. The classification criteria should aim to integrate these concepts to delineate consistent areas with similar Mineral Resource classifications.

The following items have been considered during classification of the Mineral Resources:

- Geological continuity and reliability of interpretation
- Sample support and exploration workings density
- Quality of the historical exploration campaign data and the validation results
- Grade continuity and variography
- Ordinary Kriging attributes (kriging variance, slope of regression, kriging efficiency).

The grade adjustment made the FSU component of the database meant that no Measured component could be justified.

The resulting classification was mainly dependent on proximity to the adit sampling (Table 5.9).

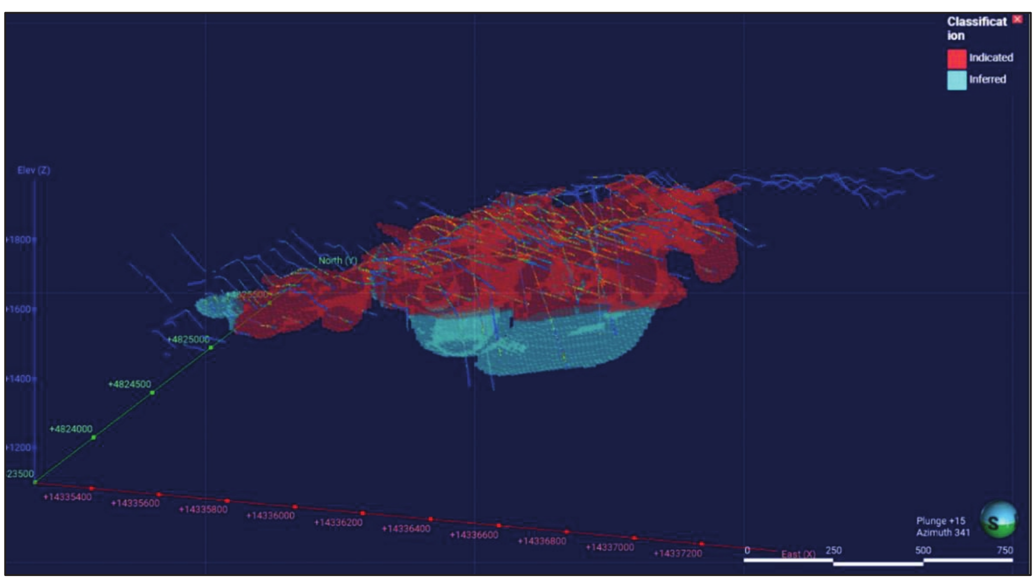
A 3D view of the classification distribution is shown in Figure 5.13.

Table 5.9: Mineral Resource classification criteria used in estimation

Category	Mineral Resource classification criterion
Indicated	Defined by the surface trenches, drill holes and adits
Inferred	Defined by surface trenches, and the deeper extension of adits and drill holes

Source: SRK

Figure 5.13: Mineral Resource classification in 3D view



Source: SRK

5.11 Mineral Resource Statement

5.11.1 Conceptual block cut-off grade

The conceptual economic cut-off grade for blocks is assumed to be 0.05% WO_3 based on the cut-off estimation presented in Table 5.10. In this context, the term 'cut-off' refers to the grade applied to the block model to determine the portion of the model that qualifies as Mineral Resources. The price of the concentrate (65% WO_3) is assumed 143,000 Chinese Renminbi (RMB).

Table 5.10: Cut-off estimation based on conceptual economic analysis

Item	Value	Unit
Mining cost	12	RMB/t
Processing cost	55	RMB/t
General and administrative cost	19	RMB/t
Total cost	86	RMB/t
Processing recovery	83	%
Price of concentrate (65%)	143,000	RMB/t
Cut-off (WO_3)	0.05	%

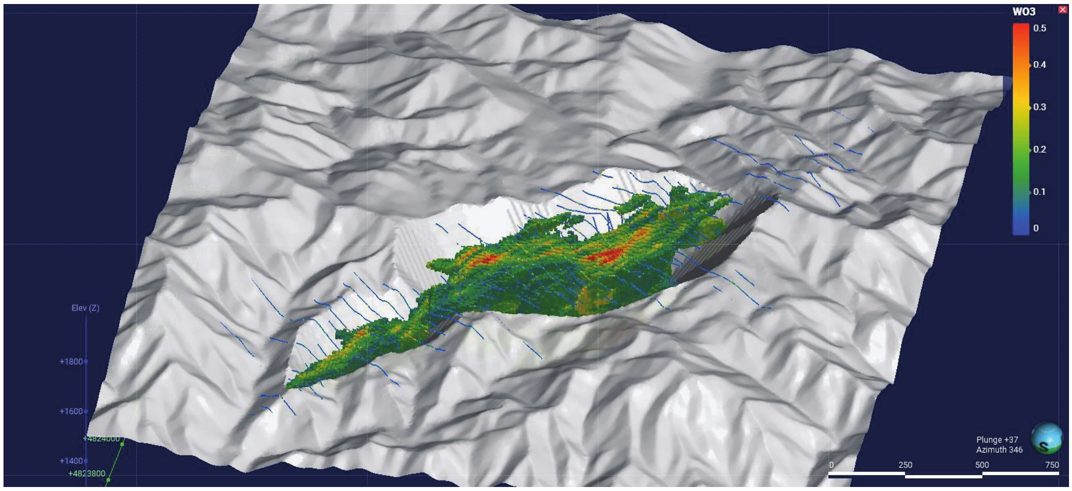
Source: Jiaxin, SRK

5.11.2 Mineral Resource Statement

To demonstrate satisfaction of the 'reasonable prospects for eventual economic extraction' (RPEEE) criterion, a pit optimization study using the Lerchs-Grossmann algorithm was undertaken in GEOVIA Whittle software. The operating parameters for the optimisations and cut-off grade estimates were based on the price, cost and recovery assumptions listed in Section 5.11.1, and a maximum pit slope of 46°. The Mineral Resource estimate is constrained by the pit shell corresponding to a revenue factor of 1. The pit optimization study considered Indicated and Inferred Mineral Resources.

The Mineral Resource estimate for the Boguty deposit constrained by conceptual pit and the latest topographic survey as at 30 June 2025 is shown in Figure 5.14 and Table 5.11.

Figure 5.14: Mineral Resource distribution within conceptual pit shell



Source: SRK

Table 5.11: Mineral Resource Statement — Boguty Project — as at 30 June 2025

Classification	Tonnage	Grade	Contained WO_3
	(Mt)	*(WO_3 %)*	*(kt)*
Indicated	95.6	0.209	200.3
Inferred	11.9	0.228	27.0
Total	**107.5**	**0.211**	**227.3**

Source: SRK

Notes:

1. The Mineral Resource estimate is effective as at 30 June 2025.

2. A cut-off grade of 0.05% WO_3 was applied to the Mineral Resource block model.

3. The Mineral Resources are reported with reasonable prospects for eventual economic extraction, using an RMB143,000 tungsten concentrate price (65% WO_3) within an optimized pit shell outline.

4. Mineral Resources that are not Ore Reserves do not have demonstrated economic viability. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

5. Mineral Resources are reported inclusive of Ore Reserves.

6. The Mineral Resource has been constrained by the latest topographic survey as at 30 June 2025.

Competent Person's Statement

The information in this Report that relates to Mineral Resources is based on information compiled by Dr (Gavin) Heung Ngai Chan who is a Fellow of The Australian Institute of Geoscientists. Dr Chan is a full-time employee of SRK Consulting (Hong Kong) Limited and has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity which he undertakes to qualify as a Competent Person as defined in the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code).

5.11.3 Conclusion

The historical mineralisation estimates are presented in Table 5.1. The most recent mineralisation estimate was conducted by ENFI in 2020. The estimate was based on the Chinese standard and resulted in the declaration of 124 Mt of ore with an average grade of 0.216% WO_3, which is equivalent to 267 kt of contained WO_3. This estimation is similar to the global estimate prepared by SRK (Table 5.8), with a slight difference in average grade 3.7% lower, and contained metal approximately 2.7% lower. The differences are mainly related to the unresolved positive bias issue evident in the historical FSU data. Compared to the Mineral Resource (Table 5.11), the ENFI mineralisation estimate has a higher tonnage as evaluation against the RPEEE criterion is not a requirement of the Chinese standard.

A mineralisation estimate prepared by Changchun Gold Design Institute resulted in the declaration of 126 Mt of ore with an average grade of 0.226% WO_3 at a cut-off grade of 0.12% WO_3. This corresponds to a total of 285 kt of contained WO_3. SRK notes that a higher density of 2.8 t/m^3 was used compared to the density of 2.74 t/m^3 applied by SRK, as well as the values used in the FSU and BD programs. In addition, certain areas with limited mineralised intervals were interpreted as mineralisation. The capping applied during the estimation was up to 1.69% WO_3. All these factors together have resulted in an unreliable and inflated estimate.

The Mineral Resource estimate, in accordance with the JORC Code (2012), was prepared by BD with a cut-off grade of 0.08% WO_3. The estimate was also capped by a conceptual pit. SRK's Mineral Resource estimate exhibits a smaller tonnage but a higher average grade. The primary reason for this difference is the inclusion of a significant amount of unmineralised granite material in the BD resource model and the unresolved positive bias issue in the historical FSU data.

The mineralisation estimate conducted in the FSU program in 1974 was based on the polygonal method. The average grades and mineralisation thickness of the mineralisation blocks were determined using a weighted average of neighbouring drill intersections and underground adit samples. A cut-off grade of 0.05% WO_3 was applied, resulting in the declaration of 169 Mt with an average grade of 0.180% WO_3.

The main differences are primarily attributed to the positive bias issue with the data and the limitations of the two-dimensional polygonal estimation method in capturing the complexities of mineralisation. The polygonal estimation method is also a well-known historical approach with inherent limitations in terms of accuracy and reliability.

6 MINING

6.1 Introduction

The Project is designed as an open pit mining operation, consisting of conventional drill, blast, load and haul, with a planned ore feed of 4.95 Mtpa. Pre-stripping was completed in September 2023 and mining operations began in November 2024. As of June 2025, approximately 4.35 Mt of ore and waste had been excavated, including 2.04 Mt of material at a cut-off grade of 0.06% WO_3 (Figure 6.1).

Figure 6.1: Open pit area

Source: SRK site visit June 2025

SRK completed open pit optimization, mine design and production scheduling, and reported an Ore Reserve in accordance with the JORC Code (2012).

The work process included:

- Review the previous studies of the Project.
- Review the relevant study input assumptions and Modifying Factors.
- Make use of the latest Mineral Resource estimate and associated block model (Section 5) and the geotechnical slope input parameters from the recently completed geotechnical study.

- Undertake an open pit optimization study, taking cognisance of the updated input parameters and assumptions, including the verified Modifying Factors described in the Preliminary Design.

- Conduct an open pit design, ensuring an efficient, practical operation.

- Develop a production schedule based on the strategy proposed by both Company and previous studies.

- Report an Ore Reserve in accordance with the JORC Code (2012).

- Outline conclusions and make recommendations for the next steps of the work.

6.2 Technical studies

The Company has completed the following technical studies or engineering designs on the Project.

- Feasibility study on the Boguty tungsten mine, Kazakhstan based on 10,000 tpd mining capacity, compiled by Hunan Research Institute of Non-Ferrous Metals (HRI) on December 2017, hereinafter known as the **2017 FS**.

- Feasibility study on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in the first 2 years), compiled by ENFI on August 2019, hereinafter known as the **2019 FS**.

- Preliminary design (Preliminary Design) on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in the first 2 years), compiled by ENFI in June 2020, hereinafter known as the **Preliminary Design**.

The Preliminary Design is the most advanced of the studies, serving as the basis of the Project's construction. These studies all proposed a conventional open pit mining operation employing the same mining methodology (i.e. drill and blast, load and haul cycle), using a drill-shovel-truck mining fleet, as well as an auxiliary mining fleet (water trucks, graders, dozers, etc.). The Modifying Factors described in these studies are based on information classified by SRK as being at a PFS level, with the exception of the geotechnical study. The study lacked sufficient geotechnical detail and investigation to support the PFS classification. The principal concern relates to the proposed overall slope angles (OSAs), which are based on an evaluation of benchmark studies and not on detailed modeling and local analysis.

In addition, the Preliminary Design considers not only the Chinese resources located within the boundaries of the mining licence but also a portion of Chinese resources that extend beyond the mining licence boundary. While the initial stage of the open pit is confined to the mining licence boundary, the final shape of the open pit extends beyond the edge of the licence boundary. SRK notes that mine design and Ore Reserve estimates should be constrained to the current mining licence.

The mine plan proposed by the technical studies compiled by Chinese institutes are all based on Chinese resources classification and part (70%) of the Chinese classified 'Inferred' resources are included in the basis of the mine design. While the mining operation assumptions proposed by the Preliminary Design are acceptable under JORC Code guidelines, the ultimate open pit size and mine plan should be re-optimized and detailed against the revised Mineral Resources, and the Mineral Resources classification, as well as the updated hydrogeological and geotechnical study recommendations.

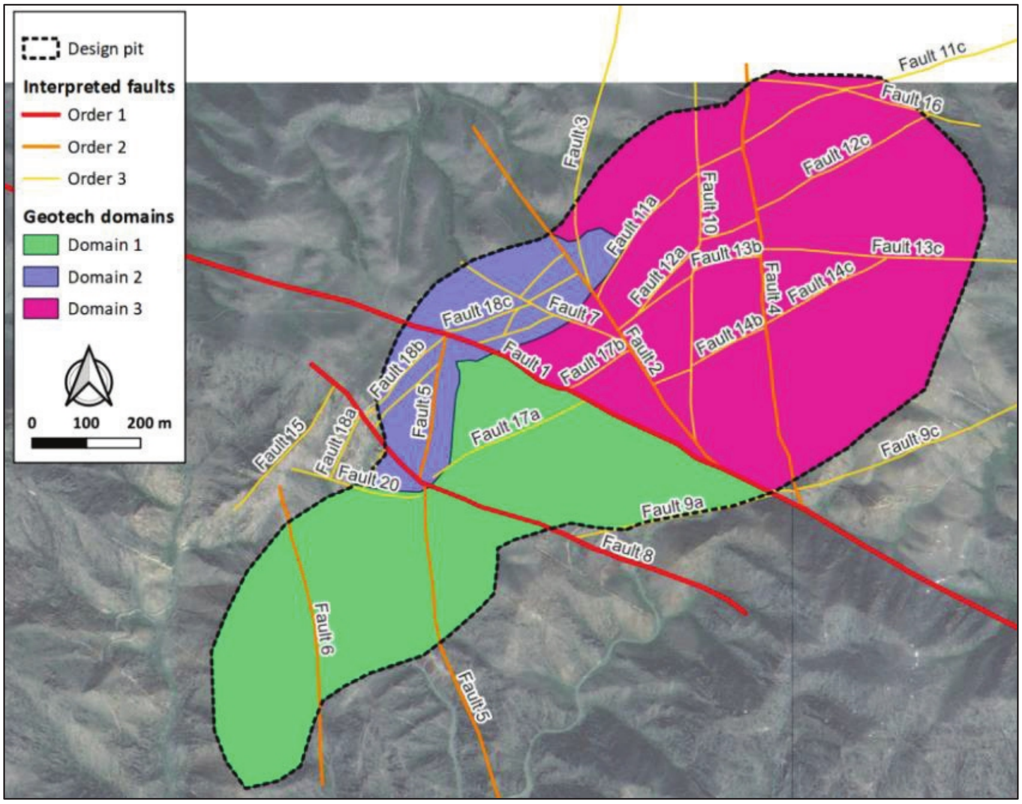
6.3 Geotechnical and hydrological study

To address the insufficiency of geotechnical data, the Company contracted SRK Kazakhstan in Almaty to conduct further geotechnical and hydrogeological studies to allow inputs for the mine design and development to a suitable standard and result in the overall study being classified as a PFS.

The study involved a combined hydrogeological and geotechnical drilling program, rock mass rating logging, and an acoustic televiewer (ATV)/optical televiewer (OTV) survey. The program began in March 2023 and was completed in August 2023. A report titled *Hydro-geotechnical Pre-feasibility study for Boguty Tungsten Project (GT PFS)* was submitted. Four drill holes (for 1,068 m) were completed. These drill holes were also hydrogeologically tested using either packer testing or falling head testing methods.

A combination of rock mass, structural and hydrogeological characterization has been used together with bench and berm kinematic assessments and inter-ramp and overall slope stability analysis to define the open pit slope design criteria for three geotechnical domains (Domains 1-3) that were defined based on the structural interpretation and geology of the Project area (Figure 6.2).

Figure 6.2: Geotechnical domains



Source: SRK

Based on the various stability assessments and available data, the recommended slope design configurations for the Project are presented in Table 6.1.

Table 6.1: Geotechnical slope design parameters

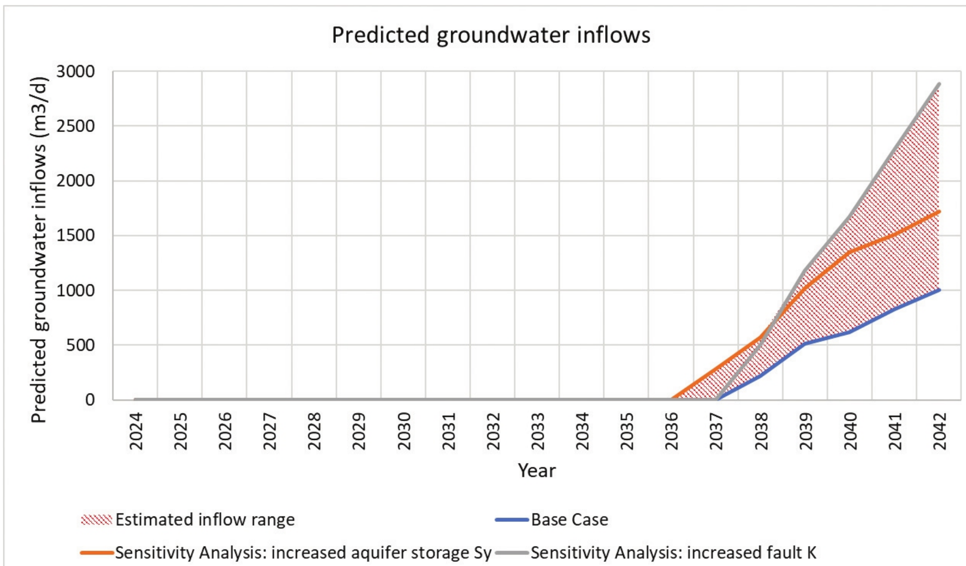
Domain	Design Sector	Azimuth (°) From	Azimuth (°) To	Preliminary bench design BH (m)	Preliminary bench design BFA (°)	Preliminary bench design BW (m)	IRA (°)	Maximum bench stack height (m)	Geotechnical bench width (m)
Weathered		000	360	10	65	6.5	42	60	25
1, 2, 3	A	–	–	20	70	8.5	52	100	
1	B	010	040	20	70	10.5	48		
2	B	070	120	20	65	8.5	48		

Source: SRK

Note: BFA — bench face angle, BH — bench height, BW — berm width.

Assessment of the dewatering requirements of the Project's open pit area was also conducted to predict water inflow into the planned open pit over the course of its planned development. Groundwater inflows into the planned open pit are estimated to increase linearly from year 2038 until the end of LOM, with predicted inflow initially around 250 m^3/d and reaching between 1,200 m^3/d and 1,800 m^3/d by the end of LOM (Figure 6.3).

Figure 6.3: Predicted groundwater inflows to planned Boguty open pit



Source: SRK

6.4 Open pit optimization

SRK has used the following inputs to complete the re-optimization and re-scheduling of the Project, based on the data available as of 31 December 2023:

- verified Modifying Factors described in the Preliminary Design
- results from the latest hydrogeological and geotechnical study
- updated Mineral Resource estimate/block model
- latest topography survey as of December 2023
- latest project implementation plan, including a contractor mining operation and a staged processing plant development plan.

To develop an optimal engineered open pit design for the deposit, an optimized open pit shell was first prepared using the Lerchs-Grossman 3D routine in Whittle software (Whittle). The Whittle open pit optimiser algorithm selects a set of blocks with the maximum value per ton, creating an optimized open pit shell from the 3D Mineral Resource block model (3D block model).

Open pit optimization using the Whittle algorithm is an industry-standard approach for defining an optimum open pit shape and development of a mining sequence. The methodology relies on the preparation of a 3D block model to represent all parts of the mineralisation and host rock that can reasonably influence the open pit shape. A single cash surplus for each block is estimated as the difference between the revenues derived from each block, at a nominated product price, and the costs required to realize the revenue from that block. For mineralised blocks with a grade above the economic cut-off grade, a positive net cashflow reflects the profit that can be made by mining and treating the block to recover the product. For the other blocks, the negative net cashflow reflects the cost of mining the block to access blocks of positive cashflow.

With defined open pit optimization parameters, including saleable product prices, mining, processing and other indirect costs, processing recoveries, open pit slopes (as recommended by GT PFS) and other project-related constraints, the open pit optimiser searches for the open pit shell with the highest undiscounted cashflow. In accordance with the guidelines of the JORC Code for reporting of Mineral Resources and Ore Reserves, only Mineral Resource blocks classified as either Measured and/or Indicated can be considered for the open pit optimization purposes. Indicated Mineral Resources were applied to this Project. The open pit shells were used as a guide to subsequent practical mine designs.

6.4.1 Open pit optimization inputs

The input parameters and assumptions used to develop the open pit shells are presented in Table 6.2.

Table 6.2: Summary of pit optimization input parameters

Inputs	Unit	Value
Mining cost – total material movement (TMM)	RMB/bcm mining	32
Mining dilution	Percent	5
Mining loss	Percent	5
Processing cost	RMB/t feed	55
General & Administration	RMB/t feed	19
Processing recovery	Percent	79
Sales expense	Percent to revenue	0.8
Resource Tax	Percent to revenue	7.8
Product price	RMB/t 65% WO_3 concentrate	110,000
Overall slope angle	Degree	Various

Source: Jiaxin, GT PFS, Preliminary Design

Note: Technical economic parameters are detailed in Section 11.

The Mineral Resource block model is a key input to the optimization process. SRK completed a Mineral Resource estimate of the Project, with an effective date of 31 December 2023 (2023 MRE).

The reviewed and validated 2023 MRE 3D block model was then converted for the purpose of open pit optimization. The conversion involved re-blocking the MRE from 10 m × 10 m × 5 m (Easting × Northing × Elevation) into 20 m × 20 m × 10 m to accurately represent mining bench/flitch bulk. The variation in grade and tonnage between the original 2023 MRE and open pit optimization block model was within 1%. The rock type code was based on both geotechnical domains and Mineral Resource classification.

The following assumptions have also been made:

- The cost inputs for the open pit optimization are based on the latest cost estimate for the processing plant Phase II operation, which has an annual throughput of 4.95 Mtpa. The plant recovery rate is based on the rate after the ore sorting system is in place.

- The price of the concentrate is based on the forecast by F&S described in Section 10. The price excludes value-added tax (VAT).

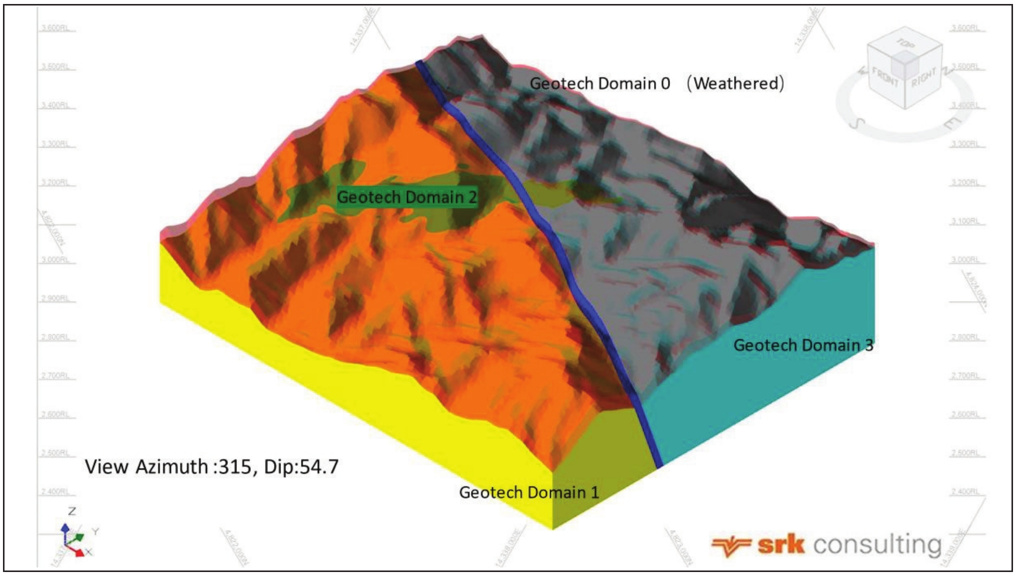
- The Preliminary Design considers a mining dilution of 5%, which SRK considers to be within the range of similar open pit operations. As the operation stabilizes, the mining dilution rate will be refined by future studies.

- The height of the open pit stack is in the range of 100-370 m, considering the ramp and geotechnical berm configurations.

- The mining licence limit is also considered during open pit optimization, with the optimization results being within the mining licence limit.

- The overall slope angle assigned is dependent on the geotechnical domain and sectors presented as presented in Figure 6.4.

Figure 6.4: Isometric view of geotechnical domains

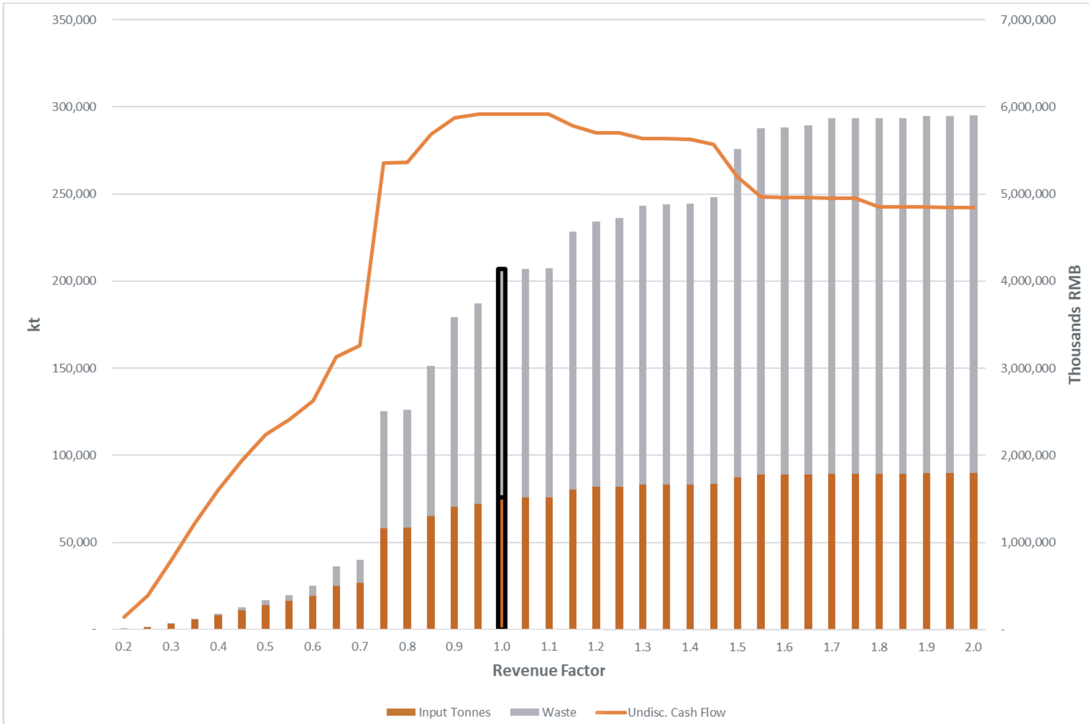


Source: GT PFS

6.4.2 *Open pit optimization results*

Based on the parameters and assumptions outlined above, the Whittle modeling produced a range of open pit shells from which the optimal result could be selected. The Whittle optimization results are shown in Figure 6.5 and summarized in Table 6.3.

Figure 6.5: Whittle optimization results



Source: SRK

Table 6.3: Summary of open pit optimization results on Revenue Factor

Revenue Factor	Undiscounted cashflow	Indicated Mineral Resources	Waste	WO_3 grade
	(RMB'000)	*(kt)*	*(kt)*	*(%)*
0.20	146,074	368	10	0.448
0.25	391,782	1,235	36	0.372
0.30	789,850	3,057	233	0.317
0.35	1,216,379	5,577	501	0.278
0.40	1,599,213	8,298	719	0.248
0.45	1,943,772	11,244	1,411	0.227
0.50	2,238,558	14,137	2,658	0.212
0.55	2,408,935	16,264	3,515	0.202
0.60	2,624,742	19,409	5,573	0.191
0.65	3,124,462	25,252	11,000	0.189
0.70	3,260,396	26,835	13,276	0.190
0.75	5,356,430	58,115	67,034	0.202
0.80	5,366,031	58,360	67,888	0.201
0.85	5,687,911	64,948	86,214	0.203
0.90	5,877,561	70,642	108,474	0.205
0.95	5,914,156	72,177	115,075	0.205

Revenue Factor	Undiscounted cashflow	Indicated Mineral Resources	Waste	WO_3 grade
	(RMB'000)	*(kt)*	*(kt)*	*(%)*
1.00	5,914,480	75,943	130,783	0.205
1.05	5,914,252	75,982	131,071	0.205
1.10	5,914,114	75,995	131,166	0.204
1.15	5,780,315	80,214	148,314	0.204
1.20	5,704,986	82,000	152,160	0.203
1.25	5,698,101	82,161	154,039	0.203
1.30	5,637,370	83,052	159,998	0.203
1.35	5,633,701	83,107	160,795	0.203
1.40	5,629,852	83,160	161,495	0.203
1.45	5,567,017	83,686	164,514	0.203
1.50	5,200,626	87,349	188,629	0.202
1.55	4,964,546	88,931	198,945	0.202
1.60	4,963,097	88,948	199,145	0.202
1.65	4,963,097	89,013	200,323	0.202
1.70	4,954,439	89,615	203,986	0.202
1.75	4,954,439	89,615	203,986	0.202
1.80	4,852,846	89,620	204,080	0.202
1.85	4,852,846	89,620	204,080	0.202
1.90	4,852,072	89,666	205,098	0.202
1.95	4,843,399	89,666	205,098	0.202
2.00	4,840,972	89,680	205,381	0.202

Source: SRK

Note:

1 The undiscounted cashflow presented above is exclusive of capital or other costs which are not mentioned in the inputs.

The ultimate open pit shell is achieved at Revenue Factor 1.0 (RF=1) when the Whittle optimization results are maximised. At RF=1, the marginal cost for an additional unit of product is equal to the net revenue received for that additional unit of product. As a result of assumptions, the pit shell on RF=1 was used as base case to produce a detailed open pit design, preliminary schedule, and preliminary economic analysis.

6.5 Detailed open pit design

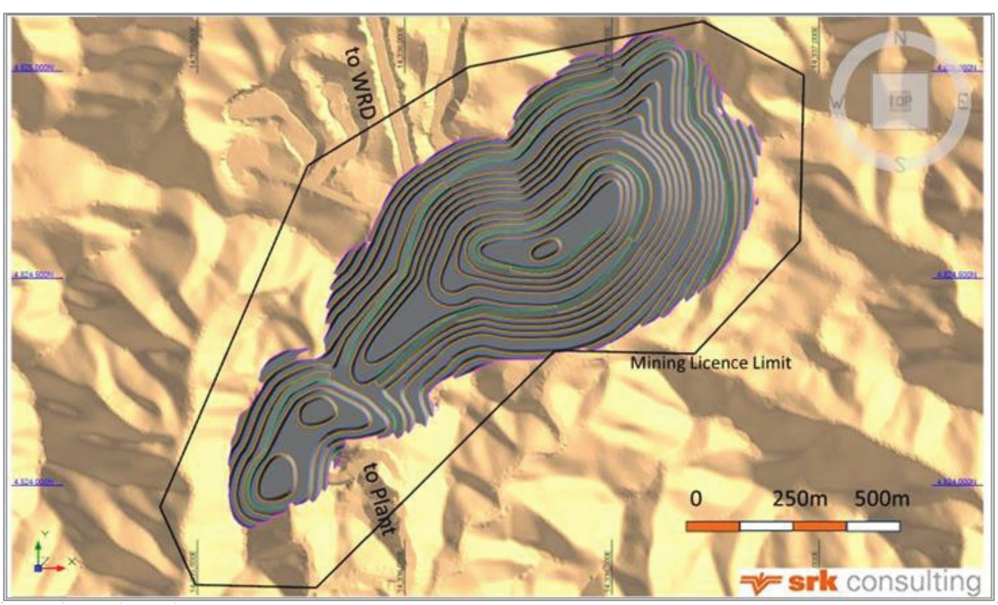
The geotechnical design and engineering design parameters are as presented in Section 6.4.1.

The open pit is designed with two exit ramps, on the north and south sides of the open pit, similar to the Preliminary Design. The north exit is designed to deliver waste to the waste rock dump (WRD). The final depth of the open pit is approximately 150 m (1,400 mRL toe elevation) from the open pit ramp crest with topography at 1,550 mRL. The highest wall is in the northeast where the wall crest is approximately 360 m high at 1,760 mRL from the bottom at 1,400 mRL toe elevation.

The open pit design parameters are:

- Dual-lane ramp width: 18 m
- Single-lane ramp width: 10 m
- Ramp and haul road gradient: 8% (1V:12.5H)
- Bench height: 20 m
- Bench face angle: 65°-70°
- Berm width: 6.5-10.5 m
- Inter-ramp slope angle: 48°-~52°
- Overall slope angle: 44°-45°°
- Minimum mining width: 20 m
- 'Goodbye'/open pit bottom bench height: 10 m.

Figure 6.6: Plan view of pit design



Source: SRK

The material types in the open pit design are detailed in Table 6.4 and graphically in Figure 6.4. Table 6.4 shows that the overall LOM stripping ratio is reasonably low at 1.5 (tonnes waste: tonnes ore). In total, 1.3 Mt of Inferred Mineral Resources are included in the open pit design but are treated as waste. The open pit exit is at the 1,550 mRL and the materials above that would be removed and transported by means of a temporary haul road.

Table 6.4: Summary of bench-by-bench materials within the open pit design

Bench #	Toe elevation	Indicated Mineral Resource (Diluted)	Inferred Mineral Resource	Waste	Average WO_3 grade	Stripping ratio	TMM
	(mRL)	*(kt)*	*(kt)*	*(kt)*	*(%)*	*(t:t)*	*(kt)*
19	1760	–	–	41	–	–	41
18	1740	0	–	216	0.139	–	216
17	1720	86	–	847	0.139	9.8	933
16	1700	372	–	3,323	0.164	8.9	3,694
15	1680	1,538	–	7,010	0.167	4.6	8,547
14	1660	4,116	39	10,776	0.186	2.6	14,931
13	1640	6,037	83	13,716	0.192	2.3	19,836
12	1620	6,518	72	14,013	0.190	2.2	20,603
11	1600	6,927	98	13,311	0.191	1.9	20,337
10	1580	7,213	164	10,322	0.207	1.5	17,699
9	1560	7,509	179	9,451	0.213	1.3	17,139
8	1540	7,244	230	7,808	0.213	1.1	15,282
7	1520	6,467	174	5,764	0.212	0.9	12,405
6	1500	4,778	77	3,718	0.219	0.8	8,573
5	1480	3,760	59	1,376	0.228	0.4	5,195
4	1460	2,804	46	886	0.228	0.3	3,736
3	1440	1,838	32	662	0.230	0.4	2,532
2	1420	1,121	25	381	0.229	0.4	1,527
1	1400	113	–	2	0.250	0.0	115
Total	–	68,441	1,278	103,619	0.206	1.5	173,338

Source: SRK

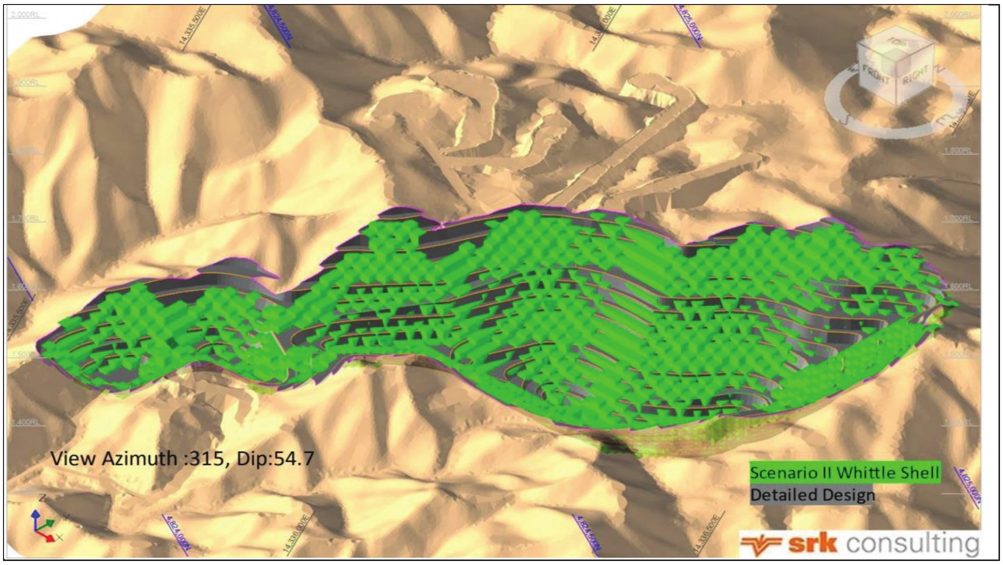
Notes:

1 Mineral Resources are at cut-off grade of 0.06% WO_3.

2 Mineral Resources presented above have considered dilution and loss (both at 5%).

The comparison between the open pit design and the Whittle-generated pit shell (Figure 6.7) is based on the topography and pit shell optimization results as of 31 December 2023. This ensures a fair comparison between the Whittle shell and the pit design by using the same topographic surface and pit shell optimization inputs. The Mineral Resources recovery in open pit design was slightly less (-4.9%) than those in the Whittle open pit shell and less waste movement (-2.4%) compared to Whittle open pit shell (Table 6.5). The comparison between the Whittle open pit shell and the open pit design are in line with industry accepted standards (maximum of 10% waste and maximum of 5% loss of ore). The bench-by-bench material within the open pit is presented in Table 6.4 and Figure 6.8.

Figure 6.7: Isometric view of design open pit versus Whittle shell



Source: SRK

Table 6.5: Comparison of design versus Whittle shell

Item	Unit	Whittle Shell	Detailed Design	Variance
Total — Waste	kt	109,435	106,775	-2.4%
Indicated Mineral Resource	kt	74,474	70,803	-4.9%
Inferred Mineral Resource	kt	1,355	1,326	-2.1%
Total Mineral Resource	kt	75,829	72,129	-4.9%
Total — Rock	kt	185,264	178,904	-3.4%
Stripping ratio	t:t	1.44	1.48	2.6%
Feed grade	%	2.05	2.05	0.1%

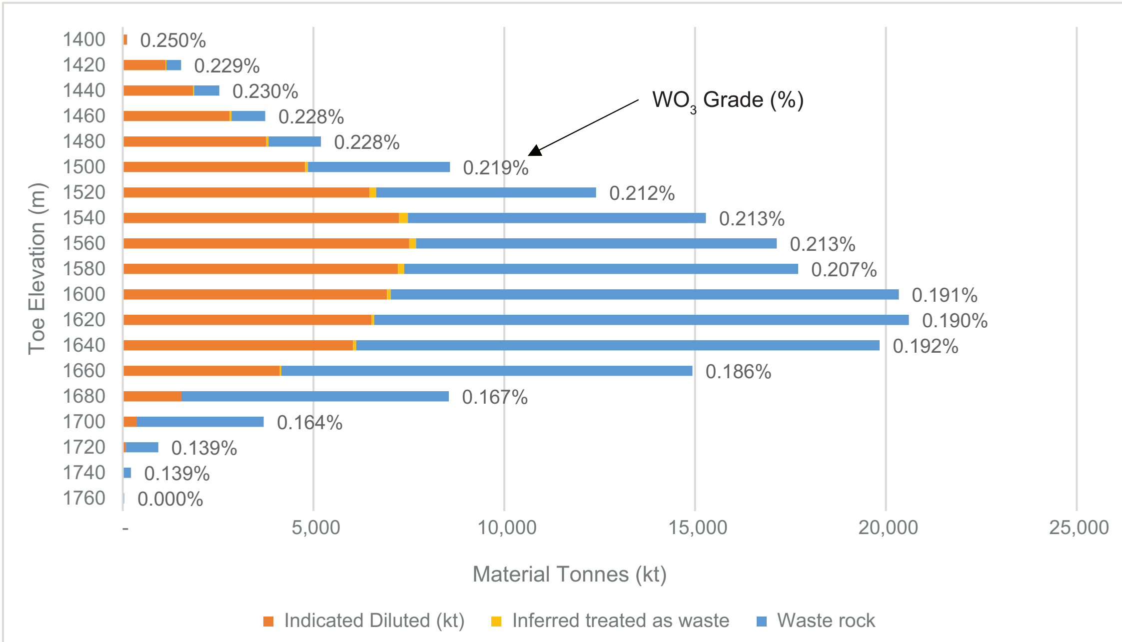
Source: SRK

Notes:

1 Mineral Resources are at cut-off grade of 0.06% WO_3.

2 Mineral Resources presented above have considered dilution and mining loss — both at 5%.

Figure 6.8: Bench-by-bench materials within the open pit design



Source: SRK

6.6 Mining methodology

6.6.1 Material mining

Conventional open pit mining methods are applied to extract ore from an open pit. Depending on the production rate, mine design, the geology of the vein systems in the deposit, and the choice of mining equipment, either selective or bulk mining techniques will be employed.

Mining operations typically consist of drilling, blasting and excavation, and loading and haulage of ore and waste, as well as grade control and dewatering of the open pit. The mining sequence is designed to occur from top to bottom, with two benches operating simultaneously.

For loading and hauling, 5.5 m^3 excavators and 55 t articulated haulage trucks are proposed. The updated GT PFS proposes that the final bench height should not be more than 30 m, and a 20 m bench height is recommended. SRK recommends two 10 m operational flitches combined into a 20 m bench, and the open pit design has used this approach. This allowed better selective mining to control dilution and loss rates, as well as lower the risk of slope failure.

The size and type of equipment to be used at the Project is common in Kazakhstan and presents a low technical risk to the Project.

The ore is planned to be transported to the crushing station or stockpiled in the ROM pad, and the waste is transported directly to the WRD.

6.6.2 Equipment fleet

Drilling and blasting are undertaken by a professional drill and blast contractor responsible for drilling, hole survey, explosive transportation, charging, stemming and blasting. The maximum size of blasted rock is 1 m. Any oversize ore rock is further crushed by hydraulic hammers to produce a more uniform size.

SRK has cross-checked the calculation of the required quantity of primary mining equipment using the Preliminary Design provided by ENFI in June 2020. The peak mining rate estimated by SRK exceeds the ENFI report by a factor of 1.4, resulting in a corresponding increase of 1.4 times in the primary mining equipment requirements.

To carry out blasting operations, 11 down-the-hole hammer (DTH) drill rigs equipped with mobile air compressors are required and another DTH drill rig is kept on standby. The blast holes will have a diameter of 165 mm. The blast holes are to be laid out in designs that are either rectangular or quincunx, with spacing of 4.5 m and a burden of 4.5 m.

Loading is carried out by a total of eight hydraulic excavators with 5.5 m^3 bucket capacities and two front-end loaders. A fleet of 28 articulated haulage trucks (55 t) transports the ore to the processing plant and stockpiles.

Aside from the primary production fleet, there is also an auxiliary mining fleet that includes utility trucks, compactors, graders, water trucks (with a capacity of 50 m^3) and dozers.

Table 6.6 lists the peak production mining fleet. The number of planned mining units is suitable for a TMM capacity of 12.45 Mtpa. The additional equipment is estimated to be 40% of designed capacity to match the LOM plan.

Table 6.6: Heavy mining equipment fleet during peak production

Equipment	Specification	Planned	Additional	Remarks
DTH drill rig	Hole diameter 165 mm	9	3	One used for slope treatment
Excavator	Bucket size 5.5 m^3	6	2	Diesel hydraulic excavator
Mine truck	Carrying capacity 55 t	23	7	
Dozer	433 kW	3		Wheel type
Dozer	373 kW	3		
Front-end loader	Bucket size 3.0 m^3	2		
Compactor	130 kW	1		
Grader	224 kW	1		

Equipment	Specification	Planned	Additional	Remarks
Water truck	50 m^3	5		
Excavator	Bucket size 2.0 m^3	2		Hydraulic hammer attached
Hydraulic hammer	PCY500	2		
Utility truck	5 t	3		
Emulsion explosive truck	6 t	2		
Explosive material truck	Carrying capacity 1 t	1		
Explosive truck	Charging capacity 10 t	2		
Light vehicle	Pickup	5		

Source: Preliminary Design, SRK

6.7 Mine plan

The strategic scheduling was based on the Whittle shell (RF=1) and served as a guide to the scheduling for the final open pit design. The target was to provide sufficient feed for the staged development of the processing plant (Table 6.7).

Trial production commenced in November 2024. In H2 CY2025, the target throughput is set at 1.65 Mt. Following the commissioning of the ore sorting circuit in the third quarter of CY2026, the throughput will gradually increase. The target throughputs for CY2026 and CY2027 are 3.80 Mt and 4.95 Mt, respectively. Starting from CY2028, the annual target throughput is expected to reach 4.95 Mt.

Table 6.7: Target processing plant throughput

Throughput	H2 2025	2026	2027	2028 onwards
Mt	1.65	3.80	4.95	4.95

Source: Jiaxin

Note: All years are calendar years.

6.7.1 Scheduling strategy and assumption

Two phases of operation were planned, using the pushbacks strategy proposed by the Preliminary Design. SRK also used this strategy (Figure 6.9). The internal pushback was guided by the RF=0.7 Whittle shell.

The scheduling is at PFS level. The mining sequence and/or dependency can be simplified as follows:

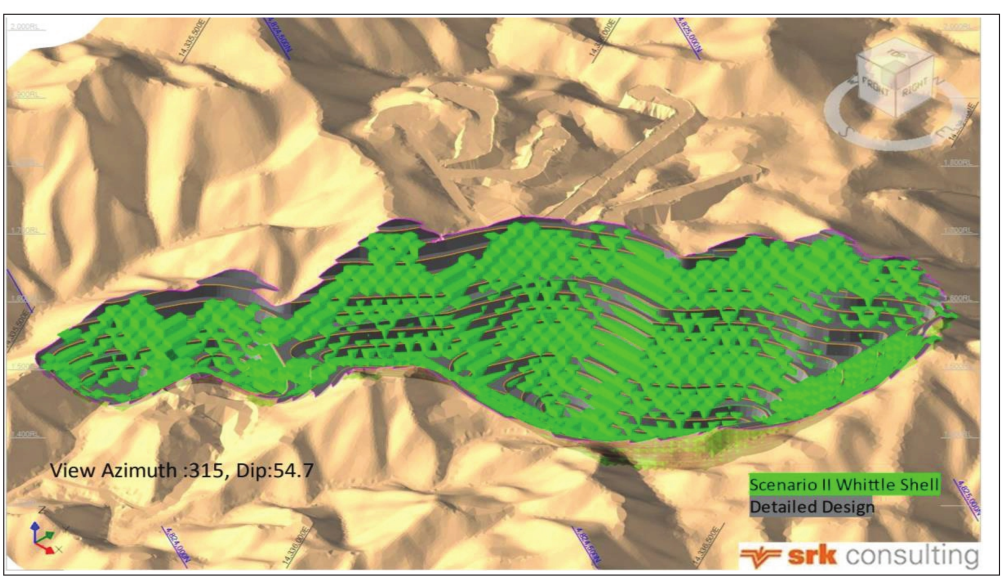
- Vertical overlap: the mining sequence to be adopted is downwards bench by bench.
- Horizontally: the material on each bench is split into blocks at a maximum area of 40,000 m^2. The mining sequence is from the ramp outwards to the final open pit limit.
- With multiple operating areas, there is greater flexibility for ore blending.
- The vertical sink rate is limited to a maximum of 4 benches (80 m).

The cut-off grade, as defined by the input parameters in Table 6.9, is 0.06% WO_3. However, an operational cut-off grade of 0.14% WO_3 is applied at the mine site during 2025 and 2026. During this period, only material with a grade above 0.14% WO_3 is fed to the processing plant, while lower-grade material is temporarily stockpiled. Once the ore sorting system commences operation in 2027, the material above the cut-off grade (0.06% WO_3) and all previously stockpiled lower-grade material will be processed.

Stockpiling is considered to be at a single ROM pad without grade categories, and material re-handled from the stockpile is assigned the average grade.

The mining operation is run by a contractor with the required mining fleet and associated capacity. The Preliminary Design, prepared by ENFI, established a TMM capacity of 12.45 Mtpa. SRK used this capacity as the basis of design for planning purposes. However, it should be noted that the TMM capacity exceeds the proposed 12.45 Mtpa by approximately 3-48% over for 7 years. This increase is primarily due to the scheduling requirements aimed at maintaining a stable feed to the processing plant.

Figure 6.9: Isometric view of pushbacks in LOM plan



Source: SRK

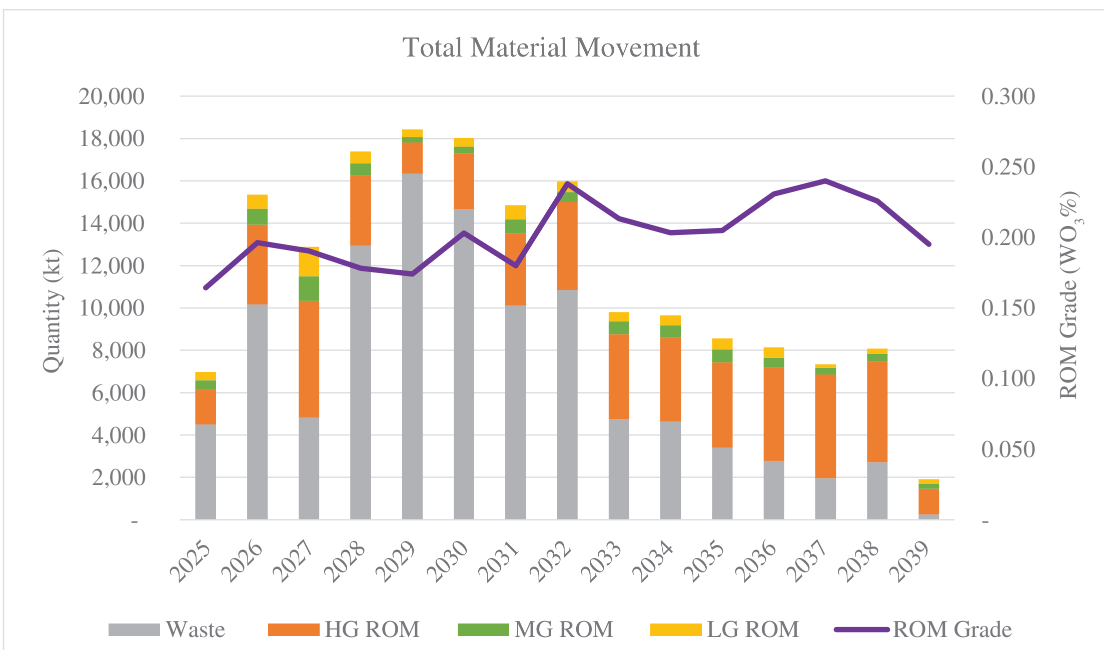
6.7.2 Life of Mine plan

Based on the strategy and assumptions above, the LOM was scheduled using Deswik.Scheduling software. The mining plan (TMM schedule), plant feed plan and ROM pad balance (stockpile) are presented in Figure 6.10, Figure 6.11 and Figure 6.12, respectively, on an annual basis.

The mining plan is expected to meet the demand of the Company's schedule, resulting in a mine life of 15 years, which starts from June 2025. Over the entire LOM, an estimated total of 68 Mt feed is to be treated.

Mining operations commenced in late October 2024. As of June 2025, approximately 4.35 Mt of materials had been excavated, including 2.04 Mt of ROM material with cut-off grade of 0.06% WO_3 (Figure 6.10).

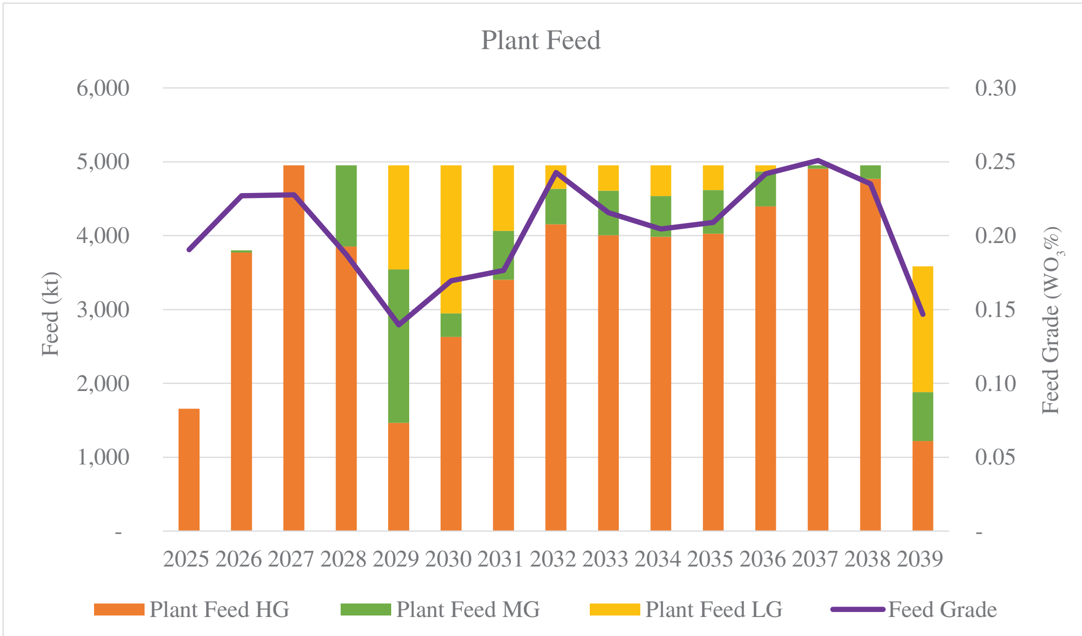
Figure 6.10: TMM schedule over LOM



Source: SRK

Note: HG: >0.14% WO_3, MG: 0.12%-0.14% WO_3 and LG: 0.06%-0.12% WO_3

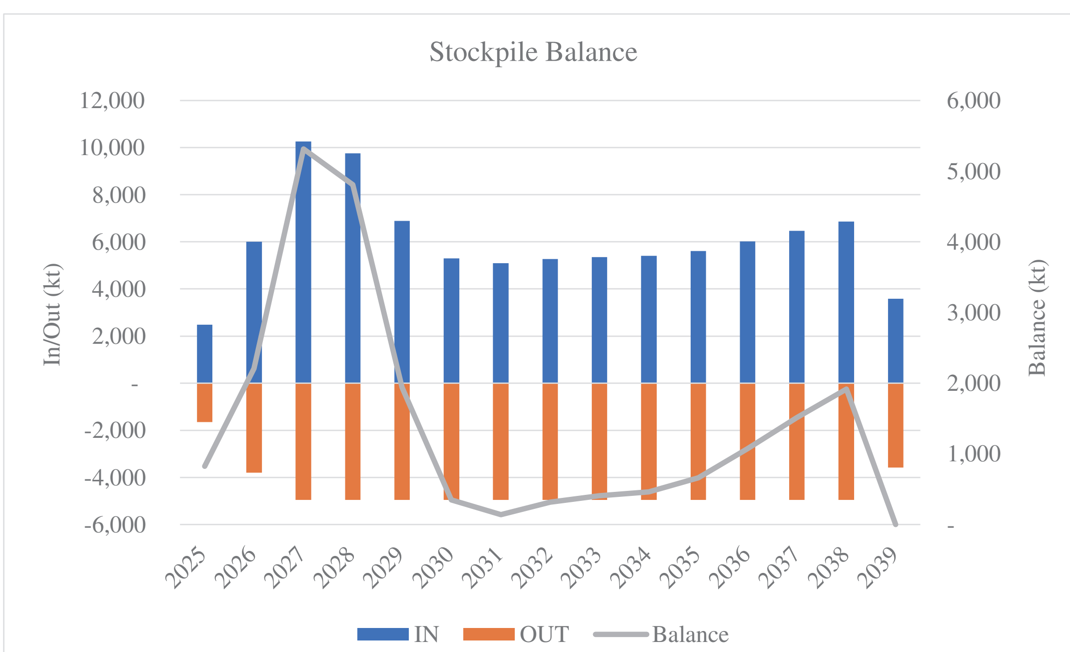
Figure 6.11: Plant feed schedule over LOM



Source: SRK

Note: HG: >0.14% WO_3, MG: 0.12%-0.14% WO_3 and LG: 0.06%-0.12% WO_3

Figure 6.12: ROM pad balance over LOM



Source SRK

Table 6.8: Summary of LOM

Period	TMM	ROM	Grade	HG Tonnes	HG Grade	MG Tonnes	MG Grade	LG Tonnes	LG Grade	Waste	Stripping Ratio	Feed	Feed Grade
Unit	*kt*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*WO_3 %*	*kt*	*t:t*	*kt*	*WO_3 %*
H2 CY2025	6,977	2,478	0.164	1,655	0.191	440	0.123	384	0.099	4,498	1.81	1,655	0.191
CY2026	15,344	5,181	0.196	3,771	0.228	755	0.124	655	0.099	10,163	1.96	3,800	0.227
CY2027	12,879	8,060	0.190	5,513	0.228	1,171	0.124	1,376	0.098	4,819	0.60	4,950	0.228
CY2028	17,392	4,445	0.178	3,290	0.201	587	0.124	568	0.100	12,947	2.91	4,950	0.187
CY2029	18,429	2,079	0.174	1,464	0.201	250	0.124	365	0.098	16,350	7.86	4,950	0.140
CY2030	18,026	3,361	0.203	2,627	0.229	319	0.125	415	0.101	14,665	4.36	4,950	0.169
CY2031	14,853	4,741	0.180	3,403	0.207	662	0.124	675	0.100	10,112	2.13	4,950	0.176
CY2032	15,965	5,125	0.238	4,154	0.267	478	0.124	493	0.100	10,840	2.12	4,950	0.243
CY2033	9,797	5,041	0.213	4,006	0.239	601	0.124	435	0.099	4,756	0.94	4,950	0.215
CY2034	9,648	5,007	0.203	3,982	0.227	556	0.123	470	0.099	4,642	0.93	4,950	0.204
CY2035	8,559	5,148	0.205	4,027	0.230	590	0.124	530	0.099	3,411	0.66	4,950	0.209
CY2036	8,134	5,362	0.231	4,395	0.257	473	0.124	494	0.097	2,772	0.52	4,950	0.242
CY2037	7,343	5,388	0.240	4,906	0.252	319	0.125	163	0.103	1,954	0.36	4,950	0.251
CY2038	8,075	5,357	0.226	4,767	0.239	353	0.125	236	0.099	2,718	0.51	4,950	0.235
CY2039	1,916	1,668	0.195	1,219	0.226	218	0.124	231	0.101	248	0.15	3,586	0.147
Total	**173,338**	**68,441**	**0.206**	**53,180**	**0.233**	**7,772**	**0.124**	**7,489**	**0.099**	**104,898**	**1.53**	**68,441**	**0.206**

Source: Independent Technical Report

Notes:

1 Mineral Resources are at cut-off grade of 0.06% WO_3.

2 ROM materials include dilution and loss at rates of 5%.

3 Inferred Mineral Resources are treated as waste.

4 HG (high-grade) material is defined as material above a cut-off grade of 0.14% WO_3; MG (medium-grade) material is defined at a cut-off grade between 0.12% and 0.14% WO_3 and LG (low-grade) material is defined at a cut-off grade of 0.06% WO_3.

5 Some totals may not correspond to the sum of the separate figures due to rounding.

6.8 Ore Reserve estimates

The definition of Ore Reserves is based on the JORC Code (2012) namely:

An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre-Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified.

The conversion from Mineral Resources to Ore Reserves is presented in Figure 5.1.

6.8.1 *Ore definition*

Defining the economically mineable ore was based on the results of open pit optimization. Open pit optimization was used to identify the optimum economic open pit shape based on the highest project cashflow. The marginal cut-off grade (MCOG) of tungsten defined the destination for material within the designed open pit. Material having a grade greater than the MCOG is hauled to the crusher or ROM stockpile, otherwise it is treated as waste and hauled to the WRD.

Applying the inputs presented in Table 6.9, SRK applied the following formula to estimate the MCOG of tungsten ore:

$$A=(Cp+Cg)/(P/(65)*R*(1-RY))$$

Table 6.9: Estimates of MCOG for tungsten ore

Inputs	Unit	Parameter	Description
A	%	0.06	MCOG for WO_3
Cp	RMB/t feed	55	Processing cost
Cg	RMB/t feed	19	General & Administration cost
R	Percent	79	Processing recovery in concentrate
P	RMB/t 65%WO_3 Concentrate	110,000	Forecast (65%) standard tungsten concentrate price
RY	Percent to revenue	0.8/7.8	Sales expense and resource tax

Source: Jiaxin, Preliminary Design

Note: Technical economic parameters are detailed in Section 11.

The MCOG was estimated at 0.06% WO_3. SRK considers that material within the open pit with a grade above 0.06% total tungsten can be processed economically, and Ore Reserves at the MCOG will have positive revenues.

The MCOG was calculated based on technical and economic assumptions described in Table 6.9. These assumptions may change in the future, which will affect the MCOG calculation and thus impact the mine inventory.

6.8.2 Modifying Factors

The following Modifying Factors are used to determine the Ore Reserve.

- Optimal open pit shell. This factor considers the economic open pit limits, taking into account the vein domains and excluding Mineral Resources located outside the mining licence limit as designated mining 'no-go' areas.

- Open pit design. The conversion factor for the mining inventory between the optimized open pit shell and the practical mine design has been accounted for in this parameter.

- Dilution. Mining dilution is estimated at 5% according to the Preliminary Design. The Modifying Factor would be updated as improved parameters become available following commissioning once operation reconciliation data are available.

- Mining loss. A 5% mining loss rate was applied as proposed in the Preliminary Design.

- The end-of-month topographic survey was applied to deplete the mined-out mineral resources and stripped waste materials.

6.8.3 Ore Reserve estimates

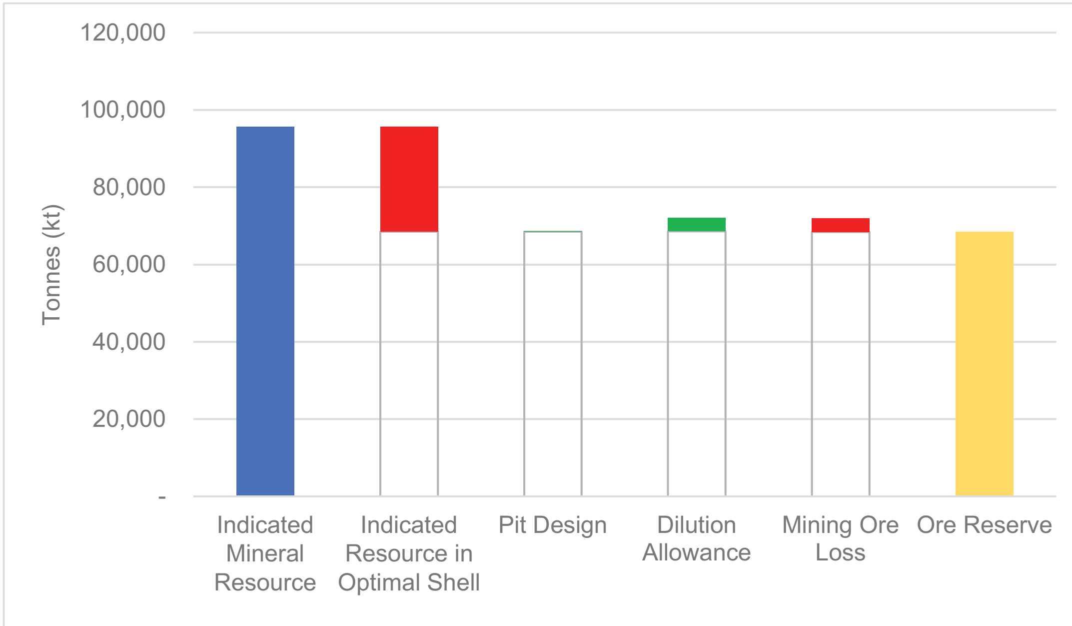
The estimated Ore Reserve, based on the 2023 MRE and the application of Modifying Factors to the tonnes and contained tungsten (WO_3), is summarized in Table 6.10 and illustrated in waterfall charts shown in Figure 6.13 and Figure 6.14.

Table 6.10: Summary of Ore Reserve conversion process

Description	Tonnes	Grade WO_3	WO_3 Contained
	(kt)	*(%)*	*(kt)*
Indicated Mineral Resource in 2023 MRE	95,600	0.209	199.8
Indicated Resource in optimal pit shell, constrained by the topographic survey as of 30 June 2025	68,498	0.216	148.0
Pit Design	68,612	0.216	148.2
Allowance for dilution	3,431	–	–
Mining ore loss	-3,602	0.206	-7.4
Probable Reserve	68,441	0.206	140.8

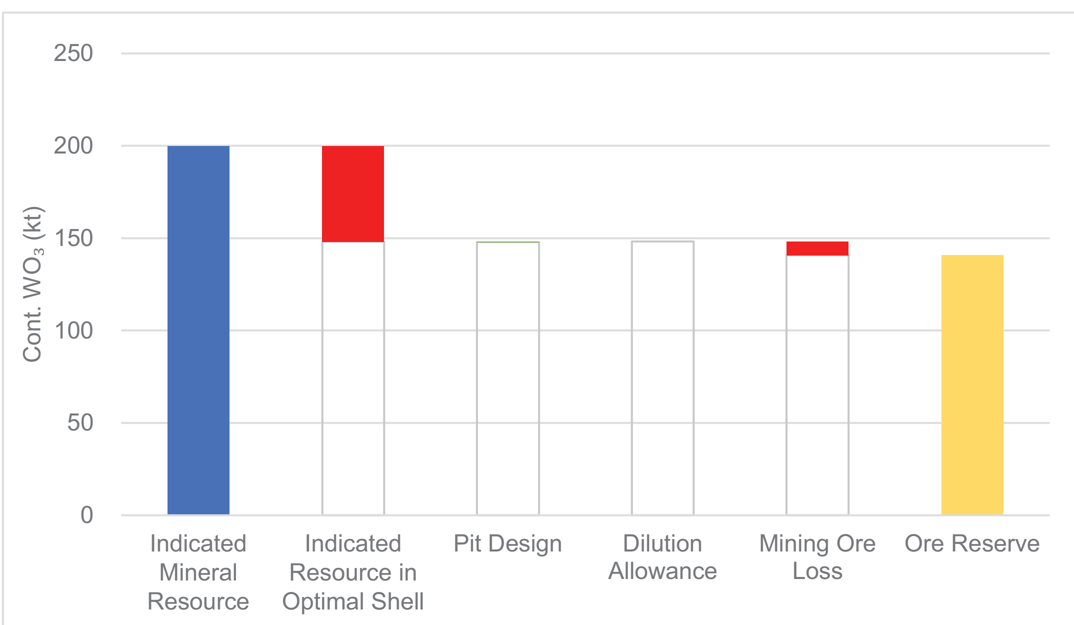
Source: SRK

Figure 6.13: Waterfall chart of mining inventory



Source: SRK

Figure 6.14: Waterfall chart of contained WO_3



Source: SRK

6.8.4 Ore Reserve Statement

By applying the Modifying Factors, SRK estimated the Ore Reserves of the Boguty Tungsten Project in accordance with the JORC Code (2012) (Table 6.11). The economically mineable parts of the Indicated Mineral Resources within the open pit design, the latest topography (30 June 2025) and the current boundaries of the mining licence, including diluting materials and allowance for losses, were classified as Probable Ore Reserves. The feed ore is estimated based on the reference point being the primary crusher or stockpiles at the processing plant.

Table 6.11: Ore Reserve Statement — Boguty Tungsten Project as at 30 June 2025

Category	Ore Reserve	WO_3 grade	Cont. WO_3
	(Mt)	*(%)*	*(kt)*
Probable	68.4	0.206	140.8

Source: SRK

Notes:

1 The Ore Reserve estimate is effective as at 30 June 2025.

2 A marginal cut-off grade (MCOG) of 0.06% WO_3 was used to define ore and waste.

3 The pit optimization and the estimation of MCOG are based on a forecast price of RMB110,000 per ton for 65% WO_3 concentrate.

4 The Ore Reserves are reported in metric dry tonnes.

5 The Ore Reserves are reported at the reference point of the ROM stockpile before crushing.

6 The Ore Reserves are reported inclusive of Mineral Resources.

7 All materials extracted since the initial Ore Reserve estimate declared in December 2023 have been depleted from the Ore Reserve.

Competent Person's Statement

The information in this Report that relates to Ore Reserves based on information compiled by Falong Hu who is a Fellow of The Australasian Institute of Mining and Metallugry (AusIMM). Falong Hu is a full-time employee of SRK Consulting (China) Limited and has sufficient experience that is relevant to the style of mineralisation, type of deposit under consideration and to the activity which he undertakes to qualify as a Competent Person as defined in the 2012 edition of the *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code).

6.9 Conclusion

SRK has reviewed the historical studies on the Project and noted that the Modifying Factors outlined in the Preliminary Design, which served as the basis for the construction, lacked sufficient geotechnical detail and level of study to meet the standards required for a PFS. The Company accepted SRK's recommendations and conducted further geotechnical and hydrogeological studies to allow inputs for the mine design and development to at a suitable standard and result in the overall study being classified as a PFS. These additional studies were carried out and completed in August 2023.

SRK used the updated Mineral Resource estimate and corresponding block model, along with the verified open pit mine Modifying Factors, as well as the geotechnical slope input parameters derived from the recently completed geotechnical study. These inputs were used to develop the open pit optimization, mine design and production schedule (ore, waste, and tungsten grade) in order to report an Ore Reserve. Mining operations commenced in late October 2024. The production schedule was based on the overall project schedule as prepared by the Company, taking into account of the current status of the construction and the phased development of the processing plant.

The selected conventional open pit mining method is considered appropriate and a low-risk solution. The proposed contractor mining equipment fleet is reasonable for the 12.45 Mtpa TMM capacity. However, the TMM capacity exceeds the proposed 12.45 Mtpa by 3-48% for 7 years. This increase is due to the scheduling requirements to maintain a stable feed to the processing plant. SRK has assumed this is achievable if the contractor sources additional mobile equipment.

The Company should assess whether it is beneficial to mine the deeper portions of the defined Mineral Resource or consider designing another pushback in the later part of the peak TMM mining period. This evaluation should also include a study on the possibility of expanding the mining licence limit to accommodate the expanded mining operations. Further geotechnical studies should also be conducted as the mine develops.

The Company has adopted a strategic approach by feeding only material with a grade above 0.14% WO_3 to the processing plant between 2025 and 2026, while lower-grade material is temporarily stockpiled. Once the ore sorting system becomes operational in 2027, ore above the cut-off grade and all previously stockpiled lower-grade material will be processed. SRK considers this approach is reasonable.

SRK has prepared the Ore Reserve estimate as at 30 June 2025, in accordance with the JORC Code (2012) guidelines. This estimate was prepared with a MCOG of 0.06% WO_3, resulting in 68.4 Mt at 0.206% WO_3 grade. On a tonnage basis, approximately 72% of the eligible Mineral Resources were converted to Ore Reserves.

7 MINERAL PROCESSING

7.1 Introduction

The full-scale construction of mining, processing and ancillary facilities began in May 2021. The construction of the processing plant complex was completed, equipment was installed, auxiliary facilities were largely set up and trial production began in November 2024 (Figure 7.1). The processing plant adopts a two-stage crushing, ore sorting, tertiary crushing and grinding circuit, along with a concentrator that uses flotation with a one-stage rougher, three-stage scavenger and three-stage cleaner process.

The processing plant will be developed in two phases. In Phase I, the nameplate capacity is 3.3 Mtpa or 10,000 tpd. In Phase II, the nameplate capacity will be raised to 4.95 Mtpa or 15,000 tpd. Commercial production for Phase I commenced in April 2025, while Phase II commercial production is planned to begin in the first quarter of CY2027.

The construction of the plant has accommodated this phased development. The nameplate capacity of the primary crushing, secondary crushing and concentrate dewatering circuits is 15,000 tpd, while the nameplate capacity of the tertiary crushing, grinding and flotation circuits is 10,000 tpd. A connecting interface for the ore sorting circuit has been reserved between the secondary and tertiary crushing circuits. Land located on the western side of the screening plant has been reserved for the ore sorting facility.

Phase II construction involves the installation of an ore sorting facility. Once Phase I production is commissioned, an industrial-scale ore sorting test will be conducted on site. Based on the results from this test, an ore sorting circuit will be designed and constructed. The waste rejection rate through ore sorting is estimated to be 33.3% based on the completed testwork, where 15,000 tpd feed ore is pre-concentrated to 10,000 tpd ore.

Figure 7.1: Processing plant complex

Source: July 2025, SRK Site Visit

Note: A: Primary crushing station, B: Substation, C: Ball mill, D: Flotation column, E: Flotation cells, F: Scheelite concentrate.

7.2 Processing testwork

The design of the processing plant is based on metallurgical and processing testwork conducted between 2015 and 2019. An additional ore sorting test was also performed in 2023 (Table 7.1).

Table 7.1: List of metallurgical and processing studies

Institute	Report title	Date	Abbreviation
Hunan Research Institute of Non-Ferrous Metals (HRI)	Report on the metallurgy testwork and technical development research on the Boguty tungsten mine, Kazakhstan	November 2015	HRI 2015
	Feasibility study on the Boguty tungsten mine, Kazakhstan with 10,000 tpd mining capacity	December 2017	2017 FS
Ganzhou HPY Technology Co. Ltd. (HPY)	Report on the ore sorting testwork on a scheelite mine in Kazakhstan	March 2019	HPY 2019
Beijing Hollister Technology Co., Ltd. (Hollister)	Report on the ore sorting testwork on a scheelite mine in Kazakhstan	April 2019	Hollister 2019
ENFI	Feasibility study on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in the first 2 years)	August 2019	2019 FS
ENFI	Preliminary design on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in the first 2 years)	June 2020	Preliminary Design
Ganzhou Nonferrous Metallurgy Research Institute (GNMRI)	Report on the ore sorting testwork on the Boguty tungsten mine	September 2023	GNMRI 2023

Source: Jiaxin; compiled by SRK

7.2.1 Test samples

In 2015, nine metallurgical samples were taken, including two surface samples, three from Adit 5, and four from Adit 6. These samples were collected using blasting, yielding a total of 64 t (Table 7.2). Based on the distribution of sampling locations and grades, SRK considers the test samples are representative. The samples collected were only for the metallurgical and flotation testwork — not for ore sorting.

Table 7.2: Metallurgical test samples

Composite no.	Sampling location		Grade	Designed sampling weight	Actual sampling weight
			(WO_3 %)	(t)	(t)
Sample 1	Surface	Line 23, sample #3149	0.28	0.5	1.0
Sample 2	Surface	Line 23, sample #3720-3730	0.08	2.7	4.2
Backup 1	Adit 6	Line 27, sample #24212-24218	0.08		2.0
Backup 2	Adit 6	Line 28, sample #21554-21560	0.22		15.6
Sample 5	Adit 6	Line 27, sample #24395-24401	0.22	9.9	15.6
Sample 6	Adit 6	Line 29, sample #24829-24833	0.34	4.8	7.5
Sample 7	Adit 5	Line 18, sample #22164-22802	0.03	0.7	1.3
Sample 8	Adit 5	Line 21, sample #25280-25333	0.21	7.6	12.0
Sample 9	Adit 5	Line 24, sample #6518-6523	0.17	3.0	4.8
Total.			**0.21**	**29.2**	**64.0**

Source: HRI 2015

7.2.2 *Mineralogical characterization*

Chemical and mineral composition

Table 7.3, Table 7.4 and Table 7.5 show the chemical composition, mineral composition and phase analysis results of the test samples, respectively. The results show that tungsten is the primary recoverable element, with no significant recoverable value for other elements, such as copper, lead, zinc and sulfur. Deleterious elements, including arsenic and phosphorus, are present in trace amounts and have no effect on product quality. The key metallic minerals are pyrite, pyrrhotite, limonite and scheelite and the key non-metallic minerals are quartz, feldspar (plagioclase and K-feldspar), mica (biotite, muscovite and sericite), chlorite, calcite and ferro-actinolite. Scheelite is the primary tungsten mineral with trace amounts of wolframite and tungstite.

Table 7.3: Test sample chemical composition

Composition	**WO_3**	**Cu**	**Zn**	**Pb**	**Mo**	**TFe**	**As**	**S**	**P**
Content (%)	0.22	0.03	0.023	0.02	0.009	3.3	<0.05	0.47	<0.05
Composition	**SiO_2**	**Al_2O_3**	**MgO**	**CaO**	**Na_2O**	**K_2O**	**Au[1]**	**Ag[1]**	
Content (%)	65.93	11.05	1.99	3.71	1.33	2.97	<0.05	<0.10	

Source: HRI 2015

1 Unit: g/t

Table 7.4: Test sample mineralogy

Mineral	Content (%)	Mineral	Content (%)
Scheelite	0.26	Rutile	0.33
Pyrite	1.22	Hedenbergite	0.39
Pyrrhotite	0.29	Zoisite	0.17
Chalcopyrite	0.04	Apatite	0.30
Sphalerite	0.03	Ferrosilite	0.06
Arsenopyrite	0.04	Grunerite	0.20
Molybdenite	0.02	Fluorite	0.17
Galena	0.02	Parisite-(Ce)	0.01
Limonite	0.48	Celsian	0.03
Quartz	46.92	Titanite	0.63
plagioclase	17.17	Kaolinite	0.01
K-feldspar	9.65	Diopside	0.64
Biotite	5.10	Clinohumite	0.01
Muscovite (sericite)	7.47	Zircon	0.05
Chlorite	3.73	Garnet	0.38
Calcite	1.76	Spinel	0.02
Ankerite	0.18	Periclase	0.02
Dolomite	0.21	Minnesotaite	0.03
Magnesite	0.04	Talc	0.06
Rhodochrosite	0.01	Montmorillonite	0.03
Ferro-actinolite	1.62	Other	0.20
		Total	**100.0**

Source: HRI 2015

Table 7.5: Tungsten phase analysis

Tungsten mineral phase	Scheelite	Wolframite	Tungstite	Total Tungsten
Content (%)	0.211	0.006	0.003	0.22
Proportion (%)	95.91	2.73	1.36	100.00

Source: HRI 2015

Textural characteristics of major minerals

Scheelite

Scheelite mainly occurs as medium to coarse anhedral grains, ranging in size from 0.05 mm to 1.00 mm. The grains are sparsely distributed in gangue minerals, such as quartz, muscovite and calcite. It is most common in quartz or at the junction of quartz and muscovite, but it can also be found in calcite. Scheelite grains can also be found in calcite stockworks or irregularly shaped chlorite, fluorite and other gangue minerals. Scheelite is not closely associated with pyrite, sphalerite, chalcopyrite and other metallic minerals.

Wolframite

Wolframite content is very low — it is occasionally found in gangue minerals as irregularly shaped grains ranging in size from 0.02 mm to 0.05 mm.

Pyrite, pyrrhotite

Pyrite is the most abundant metallic mineral in the sample. It mainly occurs as 0.03 mm to 0.50 mm anhedral and irregularly shaped grains — and less commonly as subhedral grains — and is commonly scattered in gangue minerals. Small amounts of pyrite occur as intergrowths with sphalerite. Pyrrhotite occurs uncommonly, is mainly irregularly shaped and scattered in gangue minerals.

Molybdenite, sphalerite, chalcopyrite

Molybdenite, sphalerite and chalcopyrite are fine-grained and are rarely seen in the samples. Molybdenite mainly occurs as fine flakes, ranging in size from 0.01 mm to 0.05 mm, scattered within gangue minerals such as quartz. Chalcopyrite grains, range in size from 0.02 mm to 0.05 mm and have an emulsion texture. They are often found enclosed within sphalerite grains, as well as among gangue mineral grains. Additionally, chalcopyrite grains are occasionally irregularly shaped and enclosed within pyrite.

Limonite

Limonite is formed from weathering and hydration of iron minerals and iron-containing sulfides. It typically consists of a mixture of goethite, lepidocrocite, hydrogoethite, hydrous silica and clay minerals. Limonite in the ore is irregularly shaped and commonly found in gangue minerals, often enclosing remnants of pyrite.

Ore texture and structure

Microscopic observation of thin sections has identified the following ore textures:

- anhedral granular texture: mainly found in metallic minerals such as scheelite, pyrite, pyrrhotite, chalcopyrite and sphalerite; incomplete crystal habit, occurred as anhedral grains in various shapes

- euhedral to subhedral granular texture: a small amount of pyrite in the form of relatively regular euhedral and subhedral crystals

- flaky texture: mainly in molybdenite and muscovite in the form of flakes

- inclusion texture: less common, sphalerite included in pyrite

- emulsion texture: chalcopyrite enclosed in sphalerite in the form of minute blebs.

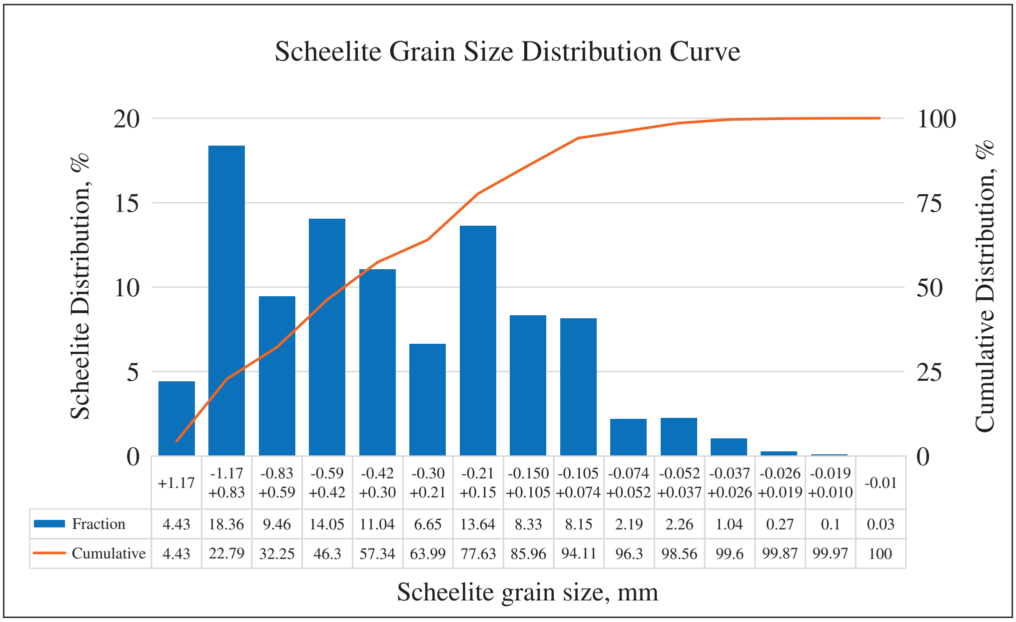
Microscopic observation on thin sections identified the following ore structures:

- dissemination: mainly seen in the scattered distribution of metallic minerals in the ore such as scheelite and pyrite, which can be classified as sparsely disseminated based on abundance.

Scheelite grain size distribution

Scheelite is the primary target recoverable mineral, and its grain size distribution is shown in Figure 7.2. Scheelite is medium- to coarse-grained with a cumulative distribution rate of 94.11% for the +0.074 mm particle size fraction. Considering only the grain size distribution, more than 95% of scheelite can be liberated. This is advantageous for the recovery of scheelite and to obtain a high-grade scheelite concentrate.

Figure 7.2: Scheelite grain size distribution



Source: HRI 2015.

7.2.3 Crushing and grinding test

HRI conducted tests to determine the ore's physical properties. The density was determined to be 2.75 t/m^3, the bulk density to be 1.70 t/m^3 and the natural angle of repose to be 33.94°. The ore's relative grindability was also evaluated, which involved comparing the time required to grind the ore to a specific fineness using the same equipment and conditions as comparable ores. The ore tested has a higher grindability than several comparable ores (Table 7.6). These relative grindability results are used to guide mill selection.

Table 7.6: Relative ore grindability

Comparable ore	Grinding fineness	Relative grindability
Fankou lead-zinc mine	P_{65}=74 mm	0.44
Dexing copper mine	P_{65}=74 mm	0.76
Yichun Luming mine	P_{65}=74 mm	0.79

Source: HRI 2015

Luoyang Mining and Mechanical Engineering Design Institute Co., Ltd. (LMMEDI) conducted a drop weight test (JK drop weight) and Bond Work Index tests on the ore. Beijing General Research Institute of Mining and Metallurgy Technology Group (BGRIMM) also conducted a Bond Work Index test on the ore. The results are shown in Table 7.7 and Table 7.8. The hardness indicators, A*b, SCSE and Wib, are all within the 'hard' range, indicating the ore is hard and difficult to grind. These test results provide a basis for grinding equipment selection.

Table 7.7: Results on JK drop weight test

DWi	DW_i	M_{ia}	M_{ih}	W_{ic}	Specific gravity
(kW h/m^3)	*(%)*	*(kWh/t)*	*(kWh/t)*	*(kWh/t)*	*(g/cm^3)*
7.11	56	20	15	7.7	2.75

A	b	A*b	t_a	SCSE
				(kWh/t)
61.7	0.63	38.87	0.37	10.11

Source: Preliminary Design

Table 7.8: Results on Bond ball mill work index test

Institute	P_{100}	G_{bp}	F_{80}	P_{80}	W_{ib}
	(mm)	*(g/r)*	*(mm)*	*(mm)*	*(kWh/t)*
LMMEDI	125	0.948	2110	97.0	21.16
BGRIMM 1	125	1.0883	1800	89.8	18.4
BGRIMM 2	125	1.0887	1800	90.6	18.5

Source: Preliminary design

7.2.4 Ore sorting test

Scheelite exhibits luminescence and emits pale blue to yellow fluorescence under ultraviolet (UV) light. Based on this property, a color sorting machine can be used to pre-select scheelite ore. Waste rock that is not scheelite bearing can be removed, reducing the amount of ore for grinding and improving the feed ore grade. This, in turn, lowers processing cost. The terms 'X-ray intelligent ore sorting machine', 'intelligent ore sorting machine' and 'intelligent ore sorting machine' all refer to color sorting machines.

In 2019, Hollister conducted ore sorting tests using an X-ray intelligent ore sorting machine (model number: XNDT-104). The tests included pre-screening on a size fraction below -15 mm size and conducting two ore sorting tests on a size faction ranging from 15 mm to 75 mm. The results presented in Table 7.9 indicate that ore sorting is feasible, with the waste rock having a grade of no more than 0.035% WO_3 and a waste rejection rate of over 50% (15 mm to 75 mm fraction). However, due to the limited quantity of ore used in the experiment and the lack of assay results for the -15 mm size fraction, this test can only be considered exploratory.

Table 7.9: Results from Hollister's ore sorting test

Test	Product	Yield	Grade
		(%)	*(WO_3 %)*
First	-15 mm	15.75	/
	-75+15 mm concentrate	40.35	1.55
	-75+15 mm tailings	43.89	0.035
	ore	100.00	/
Second	-15 mm	15.75	/
	-75+15 mm concentrate	33.61	1.38
	-75+15 mm tailings	50.63	0.027
	ore	100.00	/

Source: Hollister 2019

In 2019, HRI used an X-ray ore sorter to pre-concentrate another ore sample with a particle size of 100 mm to +30 mm. The result was not satisfactory as the tailings grade did not meet the waste rejection criteria.

In 2019, HPY conducted additional ore sorting tests. The sample was crushed to a size of -60 mm and the -15 mm fraction was screened out. The 15–60 mm fraction was tested by the X-ray intelligent ore sorter. The larger-scale pilot test revealed that the ore sorting test met the expected target, with a waste rejection rate (tailing yield) of 32.4%, metal loss of 2.5% and tailings grade of <0.04% (Table 7.10). However, the crushing particle size of -60 mm was relatively fine, and the proportion of -15 mm particle size fraction was relatively high. By increasing the crushing size, the yield of -15 mm size fraction will be reduced, and the waste rejection rate can further be improved.

Table 7.10: Results from HPY's ore sorting test

Test run	Product	Yield	WO_3 Grade	Recovery[1]
		(%)	(%)	(%)
First trial	-15 mm	32.7	0.52	47.7
	-60+15 mm concentrate	31.6	0.55	48.8
	-60+15 mm tailings	35.8	0.034	3.4
	Raw ore	100.0	0.356	100.0
Second trial	-15 mm	32.7	0.52	38.6
	-60+15 mm concentrate	28.3	0.92	59.3
	-60+15 mm tailings	39.0	0.024	2.1
	Raw ore	100.0	0.440	100.0
Pilot test	-15 mm	32.7	0.52	33.9
	-60+15 mm concentrate	35.0	0.91	63.6
	-60+15 mm tailings	32.4	0.039	2.5
	Raw ore	100.0	0.501	100.0

Source: HPY 2019

1 Recalculated based on the yield of -15 mm and -60+15 mm size fraction products.

To further confirm the feasibility of ore sorting and determine the technical parameters, Jiaxin collected a 3 t sample and commissioned GNMRI to conduct integrated ore sorting and dense media separation (DMS) testwork.

The sample was crushed and screened into three size fractions: -120+50 mm, -50+15 mm and -15 mm. The first two size fractions were fed into an intelligent ore sorter. The ore-sorted concentrate was mixed with the -15 mm fraction. The combined fractions were further crushed for DMS tests.

The intelligent ore sorter was used for pre-concentration tests on the -120+50 mm size fraction under two different conditions and on the -50+15 mm size fraction under four different conditions. The results showed that as the waste rejection rate increased, the tailings grade increased while the concentrate recovery rate decreased. The results of the integrated test are presented in Table 7.11, with a waste rejection rate of 57.90% for the -120+50 mm size fraction and 72.78% for the -50+15 mm size fraction, respectively. The recoveries for the -120+50 mm and -50+15 mm size fractions are 94.33% and 85.63%, respectively. The combined size fractions relative to the raw ore have a waste rejection rate of 44.71%, tailings grade of 0.019% and metal loss of 6.09%. The results indicate that using the intelligent ore sorter for ore sorting is feasible.

Table 7.11: GNMRI's ore sorting test results

Size fraction (mm)	Product	Yield (%)		WO_3 grade	WO_3 recovery (%)	
		Trial	Raw ore	(%)	Trial	Raw ore
-120+50	Concentrate	42.10	7.76	0.405	94.33	22.80
	Tailings	57.90	10.68	0.018	5.67	1.40
	Feed	100.00	18.44	0.181	100.00	24.20
-50+15	Concentrate	27.22	12.73	0.297	85.63	27.43
	Tailings	72.78	34.03	0.019	14.37	4.69
	Feed	100.00	46.76	0.094	100.00	32.12
-15 mm			34.80	0.173		43.68
-120+15 mm concentrate			20.49	0.338		50.23
-120+15 mm tailings			44.71	0.019		6.09
Raw ore			100.00	0.138		100.00

Source: GNMRI 2023

The ore-sorted concentrate was combined with the -15 mm fraction and crushed to -15 mm and -7 mm, respectively. The 0.8 mm fines were screened out and the -15+0.8 mm and -7+0.8 mm fractions were subject to a DMS test (Table 7.12). The waste rejection rates for the -15+0.8 mm and -7+0.8 mm factions were 42.08% and 43.10%, respectively, with tailings grades of 0.059% and 0.050%, and metal losses of 9.24% and 8.21%, respectively.

The waste rejection rates by DMS were higher than 42% in both size fractions and tungsten recoveries were higher than 90%. The integrated ore sorting using the intelligent ore sorter and DMS achieved a waste rejection rate of 67.98% and a recovery rate of 85.85%. The test results indicate that DMS is technically viable. However, the report did not indicate the method, type and consumption of dense medium. SRK recommends conducting semi-industrial or industrial tests to further evaluate the technical and economic viability of this combined processes.

Table 7.12: Results of DMS test

Product	Yield (%)		WO_3 grade	WO_3 recovery (%)	
	Trial	Raw ore	%	Trial	Raw ore
-0.8 mm		10.52	0.475		18.60
-15+0.8 mm concentrate	52.97	47.40	0.409	88.65	72.16
-15+0.8 mm tailings	47.03	42.08	0.059	11.35	9.24
Feed		100.00	0.269		100.00

Product	Yield (%)			WO_3 recovery (%)	
	Trial	Raw ore	WO_3 grade	Trial	Raw ore
			%		
-0.8 mm		13.98	0.379		20.18
-15+0.8 mm concentrate	49.89	42.92	0.438	89.71	71.61
-15+0.8 mm tailings	50.11	43.10	0.050	10.29	8.21
Feed		100.00	0.263		100.00

Source: GNMRI 2023

With the development of ore sorting technology and the improvement of sorter machine manufacturing, the application of ore sorting for scheelite and non-ferrous metal ores is rapidly advancing. SRK considers that the application of ore sorting to this project is feasible and recommends conducting further industrial-scale tests. ENFI, the author of the Preliminary Design, also suggested conducting industrial-scale tests to determine the optimal feed ore particle size and other ore sorting parameters once the Phase I construction is completed. The industrial-scale tests will provide a basis for the design of the ore sorting circuit.

7.2.5 Flotation test

In November 2015, HRI conducted a processing test. Considering the ore properties, a jigging gravity separation test was initially performed, but the results were not satisfactory. Subsequently, a detailed flotation test was conducted, which involved a room temperature rougher circuit and a heated cleaner circuit.

In the rougher circuit test at room temperature, various optimization tests were conducted, including grind fineness test, comminution test, pulp concentration test, regulator type and dosage test, sodium silicate dosage test, collectors and dosage test, flotation residence time test, pulp temperature test and tests on other conditions. Based on these experiments, open circuit tests were carried out, followed by closed circuit tests with different flowsheets, including:

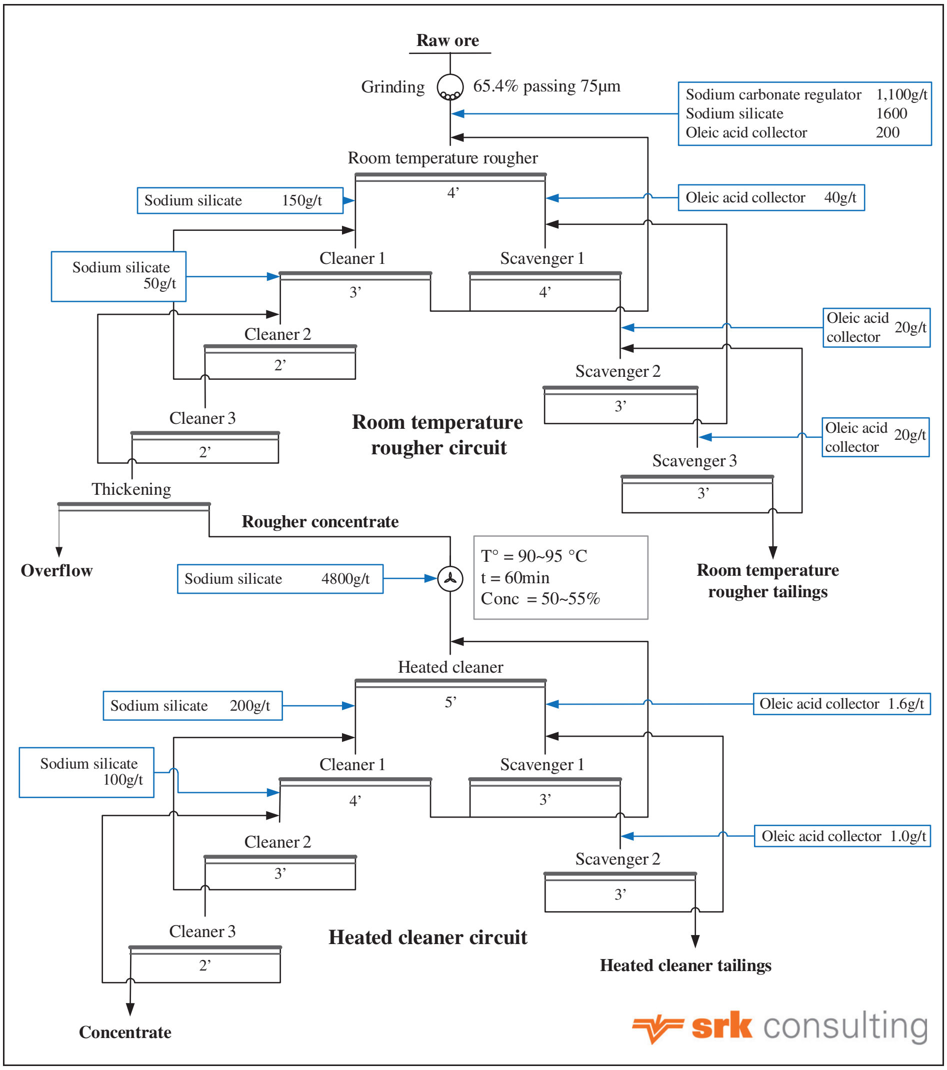
- conventional flowsheet consisting of 'one-stage rougher, three-stage cleaners and three-stage scavengers with middling sequential return to scavenger'
- tailings regrind flotation flowsheet
- middling regrind flotation flowsheet
- classified raw ore flotation flowsheet.

Based on test results, the conventional flowsheet of 'one-stage rougher, three-stage cleaners, and three-stage scavengers' was chosen as the optimized process (Figure 7.3). Following this conventional flowsheet, different ore grades were subjected to closed circuit tests, return water tests, and pilot-scale flotation tests. The expanded flotation test had a scale of 1,000 kg/d and ran continuously for 72 hours. Low-grade ore verification tests were also carried out (Table 7.13). The rougher index is influenced by return water to some extent, but is at an acceptable level. The rougher concentrate grade and recovery rate decreases with decreasing ore grade. The temperature of the flotation pulp had a significant impact on the rougher index, and the test indicated that it should not be below 20°C.

In the heated rougher-cleaner circuit test, several tests were conducted, including depressant test, sodium silicate dosage test, and open circuit and close circuit heated cleaner tests. Under conditions of a pulp concentration of 50%-55% and a pulp temperature of 90°C-95°C, a large amount of sodium silicate was used as a depressant and pre-mixed for 60 minutes. The flowsheet for the closed circuit test is shown in Figure 7.3 and the results are presented in Table 7.14. The results of the complete flowsheet are shown in Table 7.15. The tungsten concentrate obtained in the test had a grade of 66.55% WO_3, and the recovery rate of tungsten was 87.74%, indicating excellent performance.

Since the tailings from the heated cleaner circuit has a relatively high tungsten grade (0.23% WO_3), tests were conducted on the tailings to recover tungsten using gravity separation with a shaking table and magnetic separation with a wet strong magnetic separator. However, the results were not satisfactory. Beneficiation tests were conducted on the rougher concentrate at room temperature, but the tests did not yield satisfactory results. Therefore, the tailings from the heated cleaner circuit is considered the final tailings.

Figure 7.3: Flowsheet on closed circuit flotation test



Source: HRI 2015

Table 7.13: Results on closed circuit rougher flotation

Test	Product	Yield (%)	Grade (WO_3 %)	Recovery (WO_3 %)
Freshwater test	Rougher concentrate	3.97	5.16	92.22
	Tailings	96.03	0.018	7.78
	raw ore	100.00	0.222	100.00
Return water test	Rougher concentrate	4.24	4.79	90.99
	Tailings	95.76	0.021	9.01
	Raw ore	100.00	0.223	100.00
Pilot test (normal grade ore)	Rougher concentrate	4.13	4.85	91.71
	Tailings	95.87	0.019	8.29
	Raw ore	100.00	0.218	100.00
Pilot test (low-grade ore)	Rougher concentrate	3.18	3.34	86.74
	Tailings	96.82	0.017	13.26
	Raw ore	100.00	0.122	100.00

Source: HRI 2015

Table 7.14: Results on heated cleaner of rougher concentrate

Product	Yield (%)	Grade (WO_3 %)	Recovery (WO_3 %)
Concentrate	7.1	66.55	95.67
Tailings	92.9	0.23	4.33
Feed (Rougher concentrate)	100.0	4.94	100.00

Source: HRI 2015

Table 7.15: Results on complete closed circuit flotation flowsheet

Product	Yield (%)	Grade (WO_3 %)	Recovery (WO_3 %)
Concentrate	0.29	66.55	87.74
Total tailings, include:	99.71	0.027	12.26
Cleaner tailings	3.84	0.23	3.97
Rougher tailings	95.87	0.019	8.29
Raw ore	100.00	0.218	100.00

Source: HRI 2015

In December 2023, Hunan Fuduo Resources Technology Co., Ltd. completed laboratory testing for the mineral processing technology development of the Bakuta Tungsten Mine. Based on preliminary rougher flotation tests conducted at ambient temperature, both heated and ambient-temperature cleaning tests were carried out on the rougher concentrate.

In the ambient-temperature rougher flotation test, the grinding fineness was 66.5% passing 74 μm. Sodium silicate was used as inhibitors for silicate and carbonate minerals and the rougher concentrate was obtained using a "one rougher, two cleaners, three scavengers" flotation flowsheet.

For the heated cleaning of the rougher concentrate, the process began with concentration and reagent removal from the rougher concentrate, followed by heating and agitation with sodium silicate to further remove reagents. Final concentrate was then produced through a closed-circuit "one rougher, three scavengers, five cleaners" cleaning flowsheet.

For ambient-temperature cleaning, the rougher concentrate was first concentrated and reagent removal, followed by agitation with sodium silicate for reagent removal. The "one rougher, three scavengers, five cleaners" flowsheet was applied, with the tailings from the first cleaner being concentrated and returned to the reagent removal agitation tank to produce the final concentrate.

The overall results of these tests are summarized in Table 7.16. The results indicate that ambient-temperature cleaning of the rougher concentrate is feasible, which would significantly reduce energy consumption associated with heating. However, this approach yields a final concentrate with lower grade.

Table 7.16: Ambient temperature and heated cleaning flotation results

Conditions	Product	Mass Yield (%)	Grade (WO_3 %)	Recovery (WO_3 %)
Ambient temperature roughing circuit . . .	Rough Concentrate	12.05	1.1	88.28
	Tailings	87.95	0.02	11.72
	Feed (ROM)	100	0.15	100
Heated cleaning circuit.	Final Concentrate	1.86	62.15	95.54
	Cleaner Tailings	98.14	0.06	4.46
	Feed (Rough concentrate)	100	1.21	100
Ambient temperature roughing and high temperature cleaning	Final Concentrate	0.22	62.15	84.34
	Total Tailings	99.78	0.02	15.66
	Feed (ROM)	100	0.15	100
Ambient temperature cleaning circuit. . . .	Final Concentrate	2.11	53.94	96.45
	Cleaner Tailings	97.89	0.04	3.55
	Feed (Rough concentrate)	100	1.18	100
Ambient temperature roughing and room temperature cleaning	Final Concentrate	0.25	53.94	85.15
	Total Tailings	99.75	0.02	14.85
	Feed (ROM)	100	0.15	100

Water quality simulation tests and water recycling tests were also conducted. The results showed that excessively high concentrations of Ca^{2+} and Mg^{2+} in the flotation water significantly reduced both the WO_3 grade and recovery rate of the scheelite flotation concentrate, indicating that water with high levels of calcium and magnesium ions has a substantial negative impact on scheelite flotation.

The removal of Ca^{2+} and Mg^{2+} from the flotation water via a coagulation precipitation method proved effective. The process involved first adding lime to the tailings water for clarification, then adjusting the pH of the clarified water by adding sulfuric acid (or oxalic acid), and finally adding sodium carbonate to coagulate and precipitate calcium and magnesium ions from the water.

After treatment, the recycled process water was re-used continuously in flotation operations. The resulting scheelite flotation performance remained stable and was comparable to that achieved with fresh water.

7.2.6 Flotation product quality

The results of the multi-element chemical analysis on the flotation concentrate and tailings are presented in Table 7.17. The scheelite concentrate meets the requirements for a Class I product, and the levels of deleterious elements are within acceptable limits. Although arsenic was not assayed, it is presumed to be within the acceptable level due to the low arsenic content in the raw ore.

Table 7.17: Chemical composition of flotation product

	Content (%)		
Composition	Concentrate	Rougher tailings	Cleaner tailings
WO_3	66.55	0.02	0.251
P	<0.05	<0.05	0.83
S	0.21	<0.05	1.85
TFe	0.49	3.38	3.11
Cu	0.16	<0.05	0.326
Pb	0.12	<0.05	0.131
Zn	0.11	<0.05	0.075
Mo	0.009	0.008	0.1
CaO	20.27	1.84	50.34
MgO	0.23	2.36	2.08
K_2O	0.01	2.52	1.25
Na_2O	0.16	1.21	0.64
SiO_2	3.61	67.63	33.86
Al_2O_3	1.9	9.05	2.70
Au[1]	<0.1	<0.1	<0.1
Ag[1]	<0.1	<0.1	<0.1

Source: HRI 2015

1 Unit: g/t — grams per ton

7.2.7 Conclusions and recommendations

The principal ore minerals are scheelite and trace amounts of wolframite and tungstite. These minerals are the target minerals that will be beneficiated and recovered. Scheelite is coarse grained with 94% of grains larger than 74 mm, making it easy to grind and liberate. The ore has a high hardness index — the crushing and grinding cost will be relatively high.

The tests performed to date have demonstrated that it is feasible to pre-concentrate primary crushed feed using an ore sorter, with reasonable results obtained. The test results for a high-grade ore sample with 0.5% WO_3 achieved a waste rejection rate of 32.4%, tailings grade of 0.039% WO_3 and tungsten concentrate recovery of 97.5%. The test results for a low-grade ore sample with 0.14% WO_3 show a waste rejection rate of 44.7%. The grade of the tailings is 0.019% WO_3, while the tungsten recovery rate in the concentrate is 93.9%. Further industrial-scale testing is required to determine the optimal process parameters and technical indicators.

The ore-sorted concentrate and unsorted size fraction (-15 mm) were mixed and crushed to -15 mm and -7 mm. These samples were subject to DMS tests and yielded positive results. The waste rejection rate was greater than 42% and the tungsten concentrate recovery was greater than 90%. However, the tailings grade was relatively high (>0.05%). SRK recommends that the company conducts an on-site semi-industrial or industrial test to further evaluate the technical and economic viability of this method.

The flotation flowsheet of 'rougher at room temperature and cleaner at high temperature' is a commonly used processing method for scheelite. The rougher process is conditioned and performed at a pulp temperature of no less than 20°C, and the rougher concentrate is agitated and conditioned at a pulp temperature of between 90°C and 95°C followed by cleaner flotation. A laboratory-scale closed circuit test yielded good indicators of concentrate grade of 66.6% WO_3 and recovery rate of 87.7%.

The temperature has a significant impact on the flotation results. Low temperature reduces the dispersibility and activity of flotation reagents. The test has confirmed that the temperature of rougher pulp should not be lower than 20°C, and that of cleaner pulp should not be lower than 90°C. Under these temperature conditions, higher concentrate grade and recovery can be achieved. Ambient-temperature flotation can achieve recovery rates comparable to heated flotation, but the resulting concentrate grade is lower.

Return water also affects the flotation results, although its impact is not evident in laboratory settings. The high calcium and magnesium ion content in return water can significantly reduce the grade and recovery of the rougher concentrate. Treating tailings return water with a coagulation method can effectively eliminate the adverse effects of recycled water on mineral processing performance.

As the depressant of gangue minerals, the amount of sodium silicate used was 6,900 g/t, and the amount of sodium carbonate regulator used was 1,100 g/t, which are relatively high values. To reduce the consumption of these two reagents, SRK recommends conducting further experiments to explore substitutes for sodium silicate and sodium carbonate.

7.3 Processing plant

7.3.1 Production capacity and work system

According to the Preliminary Design, the processing plant will be developed in two phases. In Phase I, the nameplate capacity is 3.3 Mtpa or 10,000 tpd. In Phase II, the nameplate capacity will be raised to 4.95 Mtpa or 15,000 tpd.

The construction of the plant has accommodated this phased development. The nameplate capacity of the primary crushing, secondary crushing and concentrate dewatering circuits is 15,000 tpd, while the nameplate capacity of the tertiary crushing, grinding and flotation circuits is 10,000 tpd. The waste rejection rate of ore sorting is estimated at 33.3%, where 15,000 tpd feed ore is pre-concentrated to 10,000 tpd ore.

The processing plant is designed to operate 24 hours per day, 7 days per week on a three-shift basis. This is equivalent to 7,920 hours annually or 90.4% utilization.

7.3.2 Product plan and designed processing parameters

Table 7.18 presents the technical indices for Phase I and II. In Phase I, the designed throughput is 10,000 tpd. The tungsten recovery to tungsten concentrate was 83% (75% in H2 2025) and the predicted tungsten concentrate grade was 65% WO_3. In Phase II when the ore sorting system is installed, the designed throughput is 15,000 tpd. At a 33.3% waste rejection rate, 5,000 t of waste is rejected through the ore sorting system. The overall tungsten recovery to tungsten concentrate recovery rate is 78.85%.

Table 7.18: Designed processing parameters

Phase	Product	Capacity	Capacity	Yield	Grade	Recovery
		(tpd)	*(tpa)*	*(%)*	*(WO_3)*	*(WO_3)*
Phase I	Concentrate	28.22	9,313	0.282	65.00	83.00(Note 1)
	Tailings	9,972	3,290,687	99.718	0.038	17.00
	Raw ore	10,000	3,300,000	100.000	0.221	100.00
Phase II with ore sorting	Concentrate	42.94	14,171	0.286	65.00	78.85
	Tailings	9,957	3,285,829	66.380	0.050	14.05
	Waste	5,000	1,650,000	33.333	0.050	7.10
	Raw ore	15,000	4,950,000	100.000	0.236	100.00

Source: Preliminary Design, Jiaxin

Note:

1 Target recovery of 75% in H2 2025

Trial production began in November CY2024. By 31 December 2024, approximately 34,000 t of ore had been processed during the trial phase. Between January and June 2025, an additional 944,700 t of ore was processed. In H2 2025, the projected throughput is 1.65 Mt. Once the ore sorting circuit is commissioned in the third quarter of CY2026, the throughput will gradually increase. The target throughput for CY2026 is set at 3.80 Mt. From CY2027, the annual target throughput is expected to reach 4.95 Mt and will be maintained at this level until it begins to ramp down in 2040 (Table 7.19).

Table 7.19: Target throughput

Throughput	H2 2025	2026	2027	2028 onwards
Mt	1.65	3.80	4.95	4.95

Source: Jiaxin

Note: All years are calendar years.

7.3.3 Mineral processing flowsheet

The designed processing flowsheet includes the crushing circuit, ore sorting circuit, grinding circuit, rougher circuit, cleaner circuit and concentrate dewatering circuit.

The crushing circuit is a traditional three-stage crushing and one closed circuit flowsheet. To perform ore sorting and waste rejection, an ore sorting operation has been designed for screened and oversize ore materials produced from secondary crushing (Figure 7.4).

The grinding process is a closed circuit process.

The rougher process consists of 'one-stage rougher, three-stage scavenger and three-stage cleaner'. The rougher concentrate undergoes thickening and reagent removal, followed by heated cleaner with the flowsheet of 'one-stage rougher, three-stage scavenger and five-stage cleaner' (Figure 7.5).

The concentrate dewatering process is 'thickening-filtration-drying' (Figure 7.6).

The processing flowsheet is described as follows.

Crushing and screening circuit

The maximum size of the raw ore from the open pit is 1,000 mm. Ore is transported by trucks to the primary crushing station near the open pit. The ore is unloaded directly into the feed bin of a gyratory crusher. Adjacent to the feed bin, a crawler-type mobile hydraulic breaker is installed to break any oversize rocks.

The gyratory crusher reduces the size of the ore to less than 300 mm. The primary crushed ore is then transported to the stockpile area of the processing plant through a 2 km-long belt conveyor system.

The effective storage capacity of the primary crushed ore stockpile is 12,000 t, which serves as a buffer between processing and mining rates, ensuring a continuous production in the processing plant. Three heavy-duty apron feeders are installed below the primary crushed ore stockpile, feeding the ore to a secondary crushing cone crusher in the crushing plant through Belt Conveyor 1. Secondary crushed ore is transported through the Belt Conveyor 2 to the two sets of double deck circular vibrating screens in the screening plant for pre-screening.

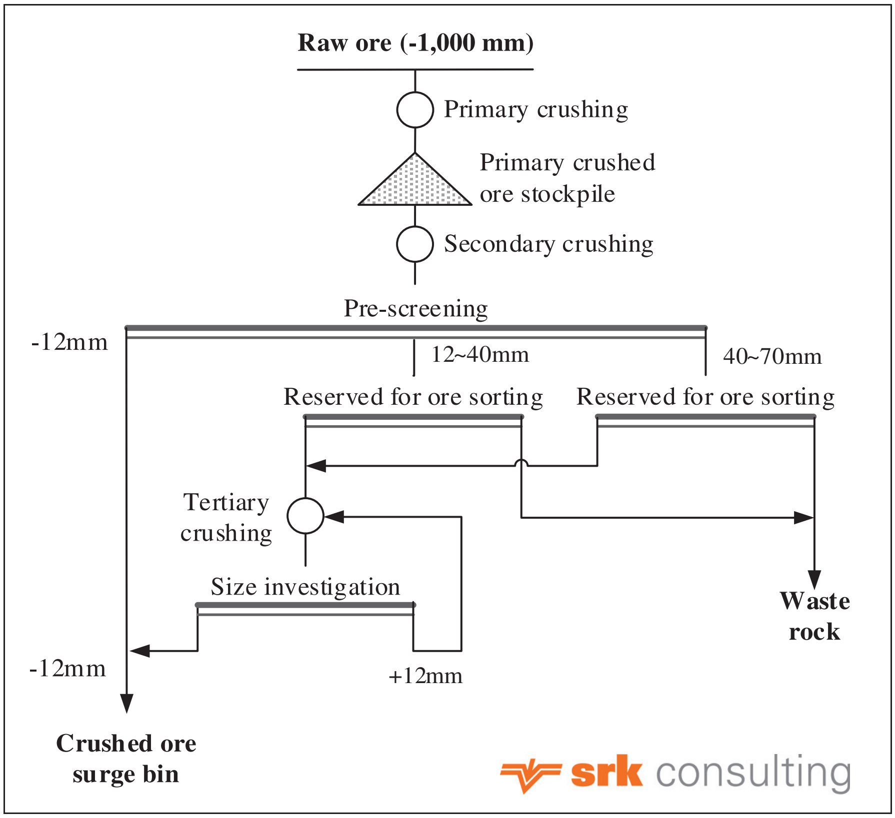
Before the ore sorting system is installed, the oversize of the double deck vibrating screens and intermediate products will be returned to the two tertiary crushing cone crushers in the crushing plant by the Belt Conveyor 3. The finely crushed material is sent back to the two sets of single deck circular vibrating screens in the screening plant by Belt Conveyor 4 for size inspection. The screen oversize material is combined with the pre-screening oversize material and transferred back for tertiary crushing by the Belt Conveyor 3 to form a tertiary crushing closed circuit.

The undersize ore materials from the double deck and single deck vibrating screens have a particle size of less than 12 mm. They are transferred to the surge bin through Belt Conveyors 5 and 6. The effective storage capacity of the ore surge bin is 10,000 t, which serves as a buffer between the crushing and grinding processes to ensure continuous production of the grinding operation. There are 14 flat gates under the ore surge bin, and the ore will be fed to two series of ball mills via two belt conveyors.

Ore sorting system

When the operation of the ore sorting system is commissioned in the third year, the pre-screening after secondary crushing will divide the secondary crushed ore into three size fractions: <12 mm, 12-40 mm and >40 mm (40-70 mm). The fine size fraction <12 mm is processed as the original flowsheet and sent to the ore surge bin by Belt Conveyors 5 and 6. The 12-40 mm and >40 mm size fractions will be conveyed to the buffer bin in the ore sorting facility. Four conveyor feeders will be installed under the coarse-grain bin to feed four ore sorters for pre-concentration, and eight conveyor feeders under the medium-grain bin to feed eight intelligent ore sorters. The concentrates of all ore sorters will be collected by a single belt conveyor and returned to Belt Conveyor 3 for tertiary crushing after two transfers. All the waste rejects from the sorting machine will be collected by another belt conveyor, transported to the reject stockpile, and then transported by vehicles to the WRD or TSF as materials for raising the dams. The particle sizes mentioned above are empirical data for the vibrating screen sieving sizes. Actual particle sizes will be determined by an industrial-scale test.

Figure 7.4: Crushing and ore sorting flowsheet

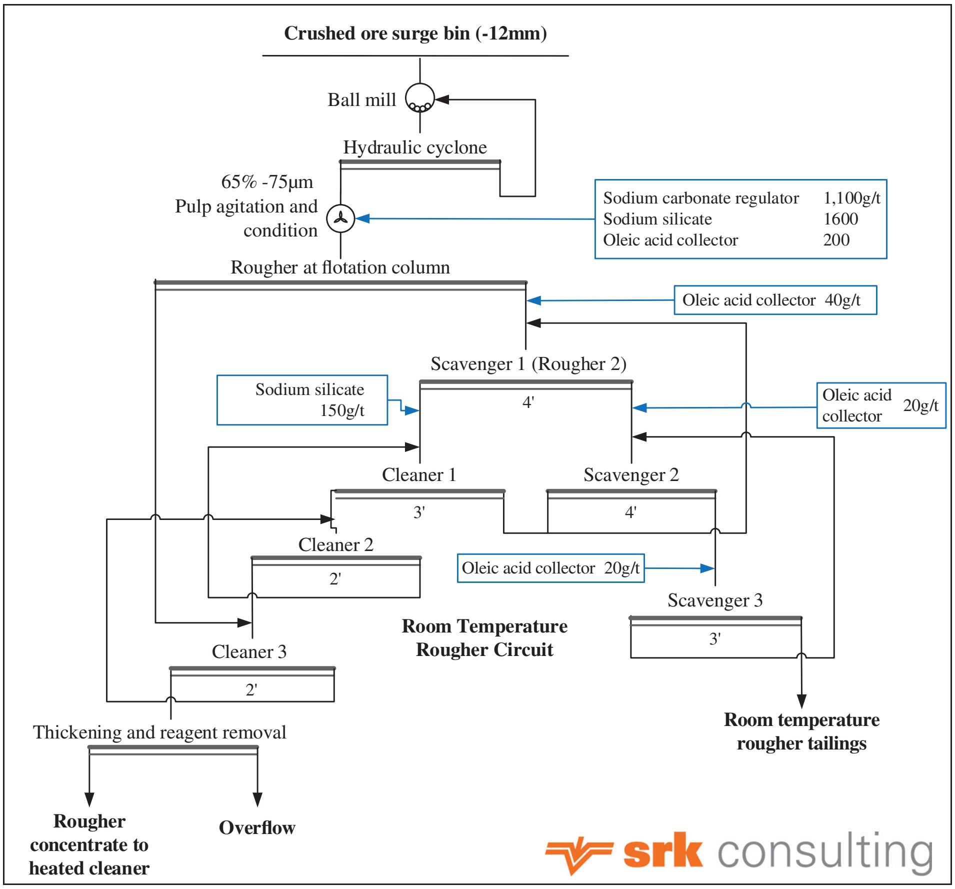


Source: modified after Preliminary Design

Grinding circuit and rougher flotation circuit

There are two grinding circuits. A ball mill, mortar pump and cyclone unit will form the grinding-classification closed circuit. The ore discharge from the ball mill will be classified by the cyclone, and the underflow will be returned to the ball mill. The combined overflow in two grinding series flows into an agitation tank before flotation, and will be agitated, conditioned and pumped to three flotation columns for roughing. The flotation columns can be used for both roughing and cleaning. The resulting concentrate flows by gravity to Cleaner 3 of the cleaner section in the rougher circuit. The flotation columns' tailings flows to the scavenger section, producing the final tailings after three stages of scavenging that is subsequently pumped to the TSF. Scavenger 1 concentrate will undergo three-stage cleaning to produce a rougher concentrate and middling. The middling returns to the Scavenger 1. The rougher concentrate undergoes thickening and reagent removal, and will be transferred to the heated cleaner circuit.

Figure 7.5: Grinding and rougher flowsheet

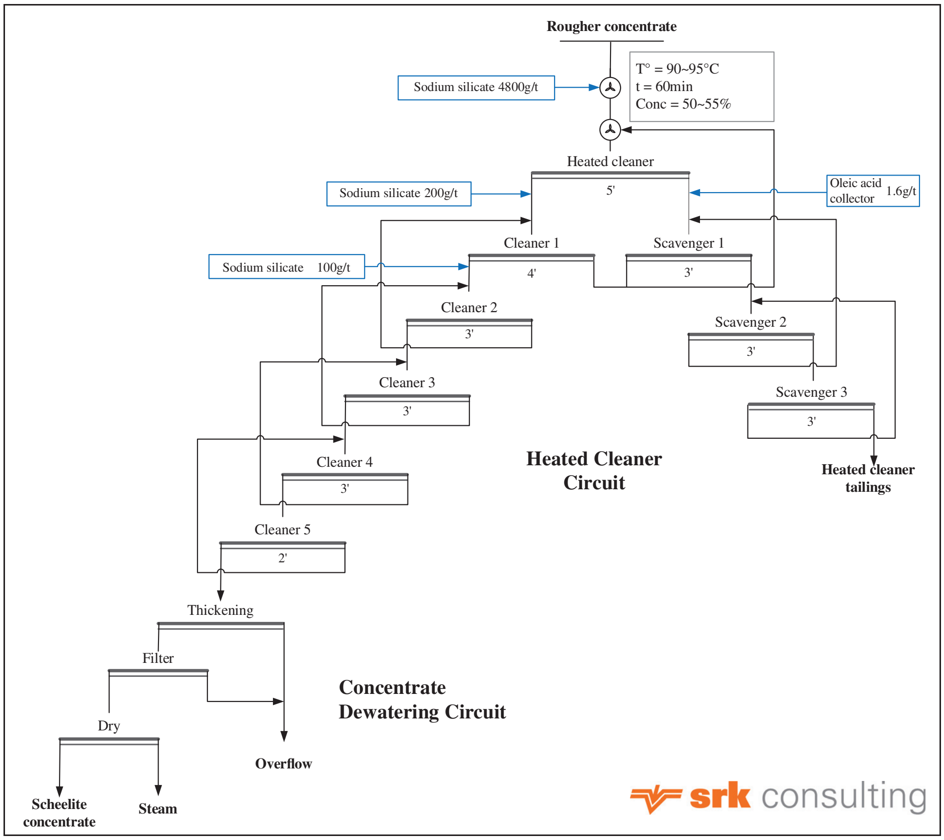


Source: modified after Preliminary Design

Heated cleaner circuit and concentrate dewatering

The concentrate ore pulp in the room temperature flotation circuit will be pumped to a thickener and concentrated to a grade of 50-55% (Figure 7.6). The overflow will be sent to the concentrate overflow treatment station, and the underflow will be pumped to six heated agitation tanks that are steam-heated to over 90°C. The heated underflow is then pumped to another agitation tank for the addition of flotation reagents and pulp conditioning, and subsequently enters the heated cleaner circuit. The cleaner circuit adopts the flotation flowsheet of 'one-stage rougher, three-stage scavenger and five-stage cleaner'. The cleaner tailings will be combined with the tailings produced in the room temperature rougher circuit and pumped to the TSF. The final flotation concentrate will be pumped to a thickener. The underflow will be fed to a plate-and-frame filter press. The resulting filter cake will be sent to a steam dryer through a spiral conveyor. The dried product is then sent to a bucket elevator through a spiral conveyor, mixed in a mixer and packed in a 1 t bag by an automated packing machine for storage and transportation. Thickener overflow and filter press filtrate containing sodium silicate and flocculants will be returned to the cleaner circuit for pulp conditioning and to serve as rinsing water.

Figure 7.6: Cleaner and concentrate dewatering flowsheet



Source: modified after Preliminary Design

7.3.4 Processing facilities and equipment

The processing plant is located to the south of the open pit, at a lower elevation. The distance between the mining area and the processing plant is 2.3 km. The primary crushing station will be located near the open pit and is to be connected to the processing plant through a 2 km long conveyor belt system.

There is an elevation difference of approximately 200 m between the two facilities. When the crushed ore is transported downhill, energy will be generated through this process. The belt conveyor is designed with power generation capability and connected to the mine power grid. The expected power generation capacity is 0.375 kWh/t ore.

The processing plant area will include the primary crushed ore stockpile, crushing plants, screening plants, surge bins, main production plant (grinding, flotation and concentrate dewatering), chemical preparation and storage facilities, major electrical/power transformers substation, mineral processing and analytical laboratory, machine repair workshop, integrated warehouse, concentrate thickening and pumping station, concentrate overflow sedimentation tank, high-level freshwater tank and recycled water tank, open pit production water booster pump station, domestic water purification station, circulating cooling water pump station, domestic sewage treatment station, processing plant office building and processing plant boiler room. A suitable area for the ore sorting facility and WRD is also reserved to the west of the screening plant.

The return water and fire protection water tanks will be located on the western hillslope of the production water booster pump station. It is 80 m from the primary crushed ore stockpile to the north. The designed tank foundation level is 1,302.8 m, and water will flow by gravity through the pipe network to the processing plant and accommodation camp.

The processing plant equipment is listed in Table 7.20, though the ore sorting system has not yet been determined as it is yet to be designed. SRK observed that foundations for the main equipment had been completed. Installation of most of the processing and auxiliary equipment has been completed. In July 2024, the processing plant equipment began individual testing. The commissioning engineers are already on site and other staff have been recruited and are currently undergoing training.

Table 7.20: Major processing equipment

No.	Equipment	Model and specification	Quantity	Generator *(kW)*
		Crushing system		
1	Gyratory crusher	G4369HD	1	400
2	Heavy-duty apron feeder	BZOK2400-7	1	90
3	Hydraulic breaker	–	1	55
4	Main belt conveyor	B = 1,200 mm, L = 1,997 m, Q = 1,200 t/h	1	710
5	Heavy-duty apron feeder	1,500 mm × 4,500 mm	3	45
6	Conveyor feeder	1,400 mm × 10,700 mm	1	22
7	Secondary crushing cone crusher	HP800	1	500
8	Conveyor feeder	–	2	30
9	Tertiary crushing cone crusher	HP800	2	500
10	Conveyor feeder	2,000 mm × 5,000 mm	4	30
11	Heavy-duty double deck vibrating screen	2YAQ3073	2	60
12	Circular vibrating screen	YA3073	2	2×30
		Ore sorting system[1]		
13	Belt conveyor in ore sorting facility	B = 1,000 mm, L = 14-151 m	8	–
14	Intelligent ore sorter	XNDT-104	12	–
15	Conveyor feeder	B = 1,000 mm, L = 4,500 mm	12	–
16	Air compressor	UD200-8	4	–
		Grinding system		
17	Electric flat gate	350 mm × 500 mm	14	1.1
18	Belt Conveyor 1-7	B = 1,000-1,200, L = 70-236 m	8	785 in total
19	Ball mill	MQY5.5 × 7.5 m	2	4,500

No.	Equipment	Model and specification	Quantity	Generator (kW)
20	Pulp pump	14/12ST, Q = 1,247 m^3/h, H = 37 m	3	355
21	Cyclone unit	Φ660-6	2	
		Flotation system		
22	Agitation tank	Φ6 × 6 m	1	75
23	Pulp pump	14/12ST, Q = 1,251 m^3/h, H = 24 m	2	250
24	Flotation column	Φ5.0 × 10 m	3	–
25	Flotation machine	KYF-100 m^3	6	132
26	Flotation machine	KYF-20 m^3	6	45
27	Pulp pump	6/4D-AH, Q = 137 m^3/h, H = 24 m	2	30
28	Pulp pump	4/3C-AH, Q = 89 m^3/h, H = 24 m	2	11
29	Pulp pump	8/6E-AH, Q = 375 m^3/h, H = 17 m	2	45
30	Thickener	NZ-Φ38 m	1	7.5
31	Heated agitation tank	Φ5.5 × 5.5 m	6	11
32	High concentration agitation tank	Φ2.5 × 2.5 m	1	11
33	Pulp pump	3/2E-AH, Q = 30 m^3/h, H = 18 m	12	–
34	Pulp pump	2/1.5B-AH	2	–
35	Flotation machine	BF-8 m^3	20	30
36	Blower	C200-1.5, 200 m^3/min	2	110
37	Air compressor	UD250-7.5, 45 m^3/min	3	250
		Concentrate dewatering system		
38	Thickener	NT-Φ12 m	1	7.5
39	Plate-and-frame filter	CJZH1000/60/40	1	11
40	Belt conveyor	B = 1,000 mm, L = 11 m	1	4
41	Spiral conveyor	LS315×l8, Q = 4-5 t/h	2	30
42	Dryer	WH-81.00	1	5.5
43	Bucket elevator	TH315×9.5	1	7.5
44	Horizontal ribbon mixer	LHY-10	1	5.5
45	Portion packaging machine	LCS-1000-Z II	1	1.5

Source: Preliminary Design

1 Actual model and quantity of ore sorting equipment to be determined after the industrial-scale tests.

7.3.5 Reagent and material consumption

There are only three types of reagents (Table 7.21). Of these, the consumption of sodium silicate is significant. Jiaxin has already engaged a sodium silicate manufacturer in China to establish an on-site sodium silicate production plant to fulfill the expected demand. The consumption of flocculant has not yet been estimated, but typically the unit consumption does not exceed 10 g/t of ore. To minimize the effect of return water, flocculant consumption should be reduced as much as possible, or flocculant should not be used at all.

The total water consumption for processing is 26,292 m^3/d, consisting of 6,270 m^3/d of freshwater, 1,843 m^3/d of circulation water and 18,179 m^3/d of return water. The utilization rate of return water is 76.15%.

Table 7.21: Reagents and material consumption

Name	Unit consumption[1]	Daily consumption[1]	Annual consumption[1]
	(g/t ore)	*(kg/d)*	*(tpa)*
Steel ball	1,000	10,000	3,300
Ball mill liner	200	2,000	660
Engine oil	35	350	116
Lubricant	50	500	165
Sodium silicate	6,900	69,000	22,770
SC[2]	1,100	11,000	3,630
HW[2]	280	2,800	924

Source: Preliminary Design

1 Consumption calculated based on 10,000 tpd flotation capacity.

2 SC — sodium carbonate regulator; HW — a liquid oleic acid collector developed by HRI.

7.3.6 Trial production and future production plan

The processing plant has made significant progress, with all components except the ore sorting system completed and having successfully undergone trial operations since November 2024. Commissioning began in the first quarter of 2025, enabling the gradual establishment of the full mineral processing circuit. By the second quarter of 2025, continuous full-process production was achieved, marking a major milestone in plant readiness. Since then, ongoing optimization efforts have focused on refining process conditions to steadily improve concentrate grade and recovery rates.

Key optimization initiatives include the successful transition from the originally designed heated cleaning to ambient-temperature cleaning of the rougher concentrate, while retaining the efficient "one rougher, three scavengers, five cleaners" flotation flowsheet. This change represents a major operational advancement, offering substantial energy savings and improved sustainability. The optimized process involves concentrating the rougher concentrate to 65–70% solids, followed by the addition of sodium silicate and high-intensity, prolonged stirring at ambient temperature to enhance reagent removal. The pulp is then diluted to 30% solids in the cleaning conditioning tank prior to cleaning, with middlings returned sequentially through the circuit. While current ambient-temperature flotation recovery is below the target of 83%, the result is positive and provides a strong foundation for further improvements. Continuous optimization, particularly focused on winter operating conditions, reagent regimes, and process control is underway to close the performance gap and achieve design targets.

The development of the ore sorting pilot plant is progressing on schedule, with construction and equipment installation planned between the second half of 2025 and first half of 2026. Industrial-scale trials are set for the second half of 2026, culminating in full installation of the ore sorting system and planned commissioning in early 2027. Ore sorting represents a strategic opportunity to increase effective throughput, reduce energy and water consumption and lower operating costs. Although the technology is new to the site, encouraging results from laboratory testing support its potential. The upcoming industrial trials will generate critical performance data, including waste rejection and recovery rates which are essential for validating the technology and ensuring reliable, scalable implementation.

Water management is another area of active advancement. Currently, the tailings pond contains limited volumes of tailings and a clarified water zone has not yet formed, necessitating reliance on fresh water for all operations. This dependency temporarily constrains processing capacity. Due to the cold climate, tailings freezing is expected to delay the availability of return water until the following spring. Once available, return water is planned for use in the rougher flotation stage, while fresh water will be reserved for the more sensitive cleaning circuits. To proactively address potential water quality challenges, SRK recommends proactively monitoring of calcium and magnesium ion levels in the return water. This will allow for timely evaluation of their impact on flotation performance, informed decisions on water treatment needs, and the development of appropriate engineering solutions, ensuring stable and efficient operations once full water recycling is implemented.

7.3.7 Conclusions and recommendations

- The designed nameplate capacity of the processing plant is 4.95 Mtpa with a design utilization of 90.4%. The processing plant is expected to be constructed in two phases. The nameplate capacity of Phase I is 3.3 Mtpa. An ore sorting facility will be installed in Phase II to increase the nameplate capacity to 4.95 Mtpa.

- Given the planned installation of an ore sorting circuit in Phase II, it is reasonable to adopt the crushing-grinding flowsheet of 'primary crushing, secondary crushing, pre-screening, ore sorting, closed circuit tertiary crushing and closed circuit grinding' flowsheet. This is a conventional flowsheet which is mature and stable.

- The results from the ore sorting tests indicate that ore sorting is viable. When the feed ore grade decreases from 0.5% to 0.14%, there is an improvement in the waste rejection rate from 32.4% to 44.7%. The reject grade decreases from 0.04% to 0.02%. The recoveries are all above 93.9%. For the designed feed grade, the use of an ore sorter for pre-concentration can achieve the designed waste rejection parameters: a waste rejection rate of 33.33%, a reject grade of less than 0.05% and a metal loss rate of 7.1%. There are notable performance differences between ore sorters from different manufacturers — SRK recommends conducting experiments with multiple ore sorting machines produced by different manufacturers to identify the most suitable equipment for on-site industrial tests.

- The flotation flowsheet of 'room temperature rougher and heated cleaner' is used to recover scheelite. This is a mature technique without major defects. Although ambient-temperature cleaning is feasible in the laboratory, it is susceptible to temperature variations and requires a continuous optimization process from summer to winter, including adjustments to operating conditions and reagent regimes. A large amount of sodium silicate, possible flocculants and other unavoidable ions will be present in the processing return water which will have a negative impact on scheelite recovery. Although the laboratory testing showed a weak impact of return water, the quality of processing return water remains uncertain. In future production, it will be necessary to continuously monitor the impact of return water on the processing indices and treat the return water whenever necessary.

- To date, the processing plant has been built to a high standard. The processing plant was successfully constructed and commenced trial operations by November 2024, achieving continuous full-scale production by the second quarter of 2025. While the current recovery rate during the trial production period is below the design target of 83%, this provides a solid baseline for ongoing performance improvement. A comprehensive optimization program is now underway, focusing on refining operating practices, reagent regimes, and process control to steadily enhance recovery toward design expectations.

- While plant throughput is currently limited by fresh water availability, these constraints are expected to be alleviated in spring 2026 with the commissioning of return water supply from the tailings pond, enabling improved processing capacity.

- Preliminary assessments indicate that return water from the tailings pond contains residual sodium silicate, flocculant, and calcium/magnesium ions, which could potentially affect flotation performance. However, this presents an opportunity to proactively evaluate water quality and develop effective treatment strategies. Further production-scale testing will be conducted to assess the impact and optimize water management solutions, ensuring stable and efficient operations once full water recycling is implemented.

8 INFRASTRUCTURE

8.1 Introduction

This section provides a description of the major infrastructure, following the design set out in the Preliminary Design and technical studies by VNIItsvetmet and ANTAL. It also evaluates the suitability and sufficiency of this infrastructure to support the LOM plan. The key infrastructure being developed includes power and water supplies as well as surface support infrastructure, installations and buildings.

8.2 Power supply

The Shelek Central Substation, a regional power station with 120 MW capacity, is located 119 km from the Project. A 110 kV overhead transmission line distributes power from the Shelek Central Substation to the Chundzha Substation, which is south of the Project region. Jiaxin has obtained permission from the local power bureau to connect and supply power to the mine area by installing a new 7 km overhead power line branching from the existing 110 kV transmission line.

The principal step-down/transformer substation is located at the processing plant, converting the transmission voltage from 110 kV to 10 kV and serving as the main powerhouse for the Project. Two 32,000 kVA 110 kV to 10 kV transformers have been installed. Major feed lines branching from the principal step-down transformer substation distribute power to the primary crushing station, main production plant, crushing plant, mining and accommodation area, TSF and to the water withdrawal and diversion from Charyn River. An extra feed line has been reserved for the future ore sorting facility.

ENFI has conducted a power load analysis as part of the Preliminary Design, based on the specification and numbers of selected equipment, general site plan for the Project and other technical requirements provided by Jiaxin. A summary of the power load analysis is shown in Table 8.1 and a list of the major equipment is shown in Table 8.2. Detailed specifications on major mining and processing equipment are shown in sections 6.6.2 and 7.3.4, respectively.

Table 8.1: Power load analysis summary

Equipment connected capacity	30,093.66 kW
Equipment operating capacity	28,738.36 kW
Calculated active power	19,732.18 kW
Calculated non-active power	6,364.35 kVar
Calculated apparent capacity	20,733.16 kVA
Power factor	0.95 (0.98 after compensation)
Annual consumption	12,320 × 10^4 kWh

Source: Preliminary Design

Table 8.2: Major equipment's power load

Equipment	Power *(kW)*	Quantity
Ball mill	4,100	2
Air compressor	250	3
Blower	250	3
Pulp pump	355	3
Cone crusher	600	3
Gyratory crusher	315	1
Long distance conveyor belt	710	1
TSF return water pump	280	3

Source: Preliminary Design

As required by the Kazakhstani Government, four sets of diesel generator units (400 V, 400-800 kW) have been installed as emergency power sources for the mine/open pit, TSF, processing plant and accommodation camp, respectively, in case of maintenance or failure of the power grid.

The principal step-down substation was completed. The Chundzha Substation refurbishment was completed in the first quarter of CY2024. The refurbishments of the Shelek Central Substation and on-site step-down substation were completed in August 2024. The Project was connected to the main grid, providing the required 30 MW power in late October 2024.

8.3 Water supply

The Project is located in an arid area. Annual precipitation averages 442.4 mm (rain) and 64.22 mm (snow) and peaks from March to May. Limited underground water has been intercepted during various drilling programs, including geological exploration in the open pit area, geotechnical drilling in the conveyor belt tunnel area and geotechnical drilling in the TSF area. The Company has negotiated with the Kazakhstani Government to abstract river water from the Charyn River, a major river running 22 km southeast of the Project.

The total water consumption for the Project, including return water from the processing plant and TSF, is forecast at about 27,500 m^3/d. In the Preliminary Design, the amount of freshwater was estimated at about 8,000 m^3/d, assuming a 75% return water utilization rate. In a 2019 water consumption estimation completed by VNIItsvetmet, the amount of freshwater was calculated at about 11,160 m^3/d assuming a more conservative 53% return water utilization rate. Considering the lack of reliable hydrological and meteorological information in the design phase, and that a higher withdrawal capacity would be beneficial to the Project to manage uncertainty, the Company has adopted 11,160 m^3/d as the basic freshwater requirement. With an additional 20% surplus, the Company has applied to the Kazakhstani Government for a 13,000 m^3/d freshwater withdrawal from the Charyn River. A summary of the water balance for the Project is shown in Table 8.3.

ANTAL has been contracted to design the facility to abstract water from Charyn River. The design includes two walled pumping stations. The first pumping station, including a water withdrawal and primary booster pump, has been established immediately next to the Charyn River water source at 773 masl. A secondary booster pump station has been located next to the A2 highway at 1,001 masl. Pumped water is stored in water tanks located on a small hill at 1,308 masl above and north of the processing plant. The withdrawal and booster water pumps will have a maximum of 16 working hours daily. The total length of the water supply pipelines is 21.621 km, and these are placed 1.2 m below the surface. The pipeline route is shown in Figure 8.1.

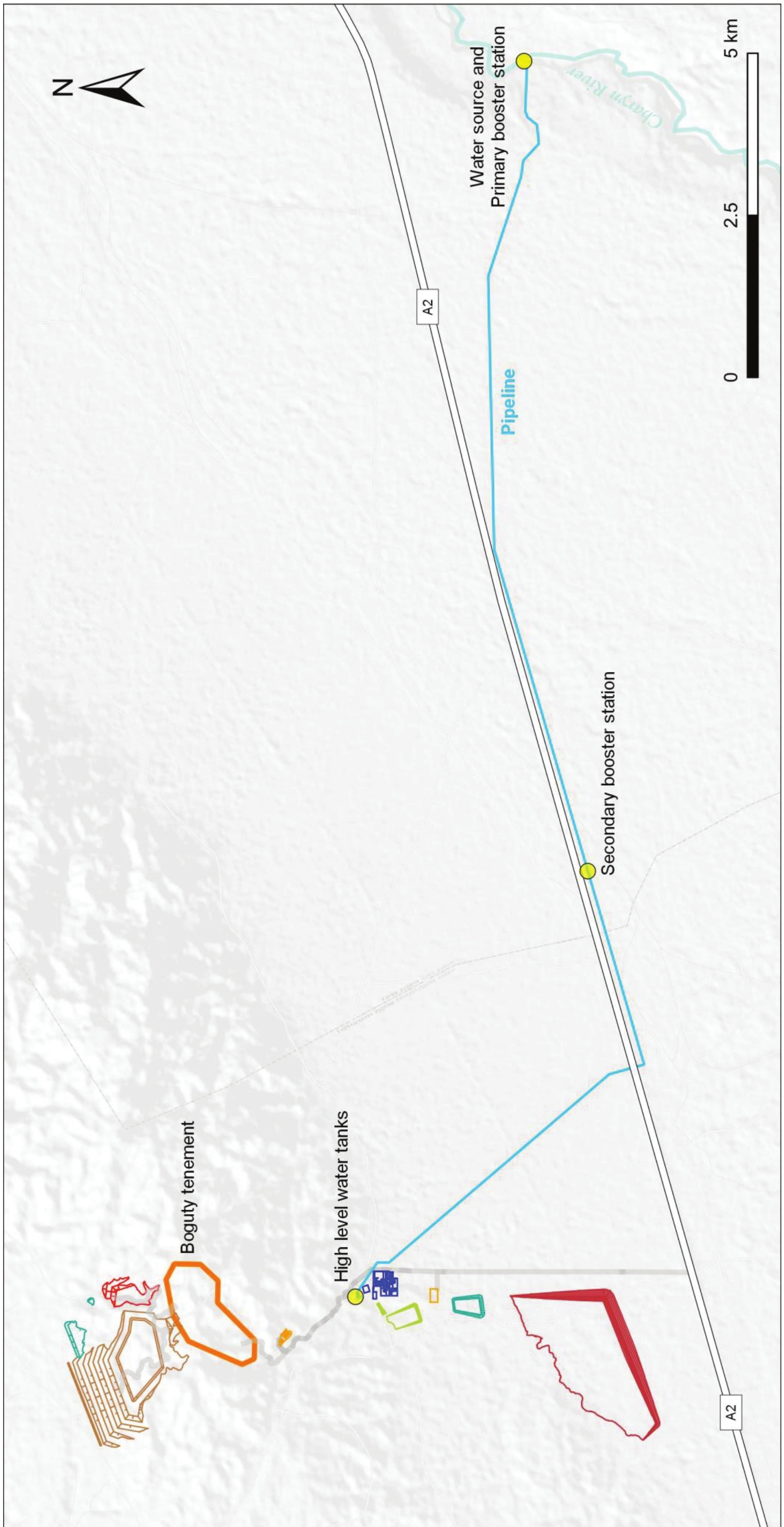
The freshwater is used directly for industrial purposes, including fire protection. For domestic uses, the freshwater intake is pumped to the Water Treatment Plant in the processing plant, where it undergoes sedimentation, and is filtered with sands and active carbon, and sterilised with reagents such as calcium hydroxide and chlorine dioxide.

Table 8.3: Water balance for the Project

Facility and equipment	Total daily water consumption (m^3/d)	Water supply (m^3/d)				Water discharge (m^3/d)				Note
		Production freshwater	Domestic water	Circulation water	Return water	Circulation water	Return water	Loss	To sewer	
Mining operation	303	303						303		
Mining boiler room	48	48						24	24	Sewer discharge collected to processing plant
Mining subtotal	***351***	***351***						***327***	***24***	
Processing water use	22,492	4,313			18,179		18,179	4,313		76.15% return water utilization rate
Water pump sealing water	720	720						720		
Reagent preparation water	360	360						360		
Equipment circulation cooling water	1,920	77		1,843		1,843		52	25	Sewer discharge collected to processing plant
Ground rinsing water	200	200						200		
Processing boiler room	600	600						408	192	
Processing plant subtotal	***26,292***	***6,270***		***1,843***	***18,179***	***1,843***	***18,179***	***6,053***	***217***	
Accommodation camp subtotal	***100***		***100***					***5***	***95***	Sewer discharge collected and treated for greening and car wash
Maintenance subtotal	***20***		***20***						***20***	
Greening and car wash subtotal	***115***				***115***			***115***		
Unforeseen usage	***660***	***660***						***660***		10% of foreseen usage
Total water consumption	**27,538**	**7,281**	**120**	**1,843**	**18,294**	**1,843**	**18,179**	**160**	**356**	

Source: Preliminary Design

Figure 8.1: Water pipeline route for the Project



Source: modified after ANTAL and Preliminary Design

The two major external pumping stations, as well as the installation of pipelines, water withdrawal and pumping equipment, and water tanks near the processing plant, were all completed (Figure 8.2 & Figure 8.3). The pipes had been installed and the excavated areas backfilled by the first quarter of 2024. Access to water commenced in July 2024.

Figure 8.2: Water source in Charyn River and water withdrawal pumps

Source: SRK site visit August 2023

Figure 8.3: Primary and secondary booster pump stations

Source: SRK site visit July 2024

8.4 Accommodation camp

A temporary accommodation camp consisting of single-storey steel modular buildings and cement buildings is located in the low-lying area between the TSF and processing plant (Figure 8.4). Despite being temporary, the buildings are constructed to high standards and well-equipped. The outdoor area is paved and greened. Water, power and heating supplies have been established. Staff restaurants are served with both Kazakh and Chinese food. An indoor entertainment room is also set-up. The temporary living area consists of 94 accommodation rooms and a number of offices and meeting rooms. SRK was impressed with the quality of the buildings and considers it to be one of the best mining camps in the region.

Figure 8.4: Temporary accommodation camp

Source: SRK site visit August 2023

A permanent accommodation camp accommodating 240 personnel has been designed for construction approximately 600 m south of the open pit. The construction work proposed in the Preliminary Design involved a cut-and-fill area and the development of 18 single-storey buildings (Figure 8.5). To reduce the volume of earthworks, the permanent accommodation camp has been redesigned to use only the planned cut area and the construction of six three-storey buildings. The earthworks for the permanent accommodation camp began in June 2023 and construction is expected to be completed within 2 years of production is commissioned. At that time, the temporary accommodation camp will be converted for processing use.

Figure 8.5: Earthworks for permanent accommodation camp

Source: SRK site visit March 2025

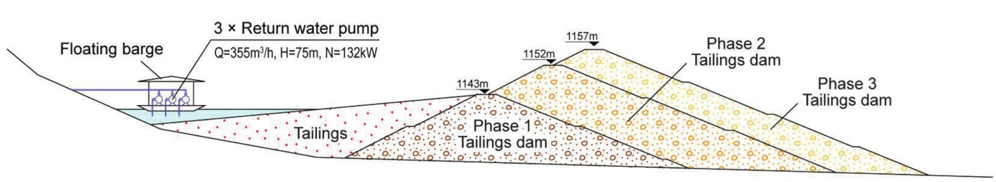
9 TAILINGS STORAGE FACILITY

9.1 Introduction

The TSF is located on a gentle slope approximately 3 km southwest of the processing plant. It features an open layout and is categorised as a hillside storage facility. Three embankments are being constructed against the hillside (Figure 3.2). The TSF will cover an area of approximately 3.5 km^2.

The TSF will be constructed in three phases in accordance with the design report (ANTAL, 2020). The embankment built in Phase 1 (1,143 m) will be progressively lifted in Phase 2 (1,152 m) and Phase 3 (1,157 m) (Figure 9.1). The designed total storage capacity is 39.2 Mm^3 to provide sufficient storage for tailings over the LOM.

Figure 9.1: Schematic cross section of TSF embankment showing Phase 1, Phase 2 and Phase 3 embankment raises



Source: modified after Preliminary Design

9.2 Construction status

During SRK's site visit in September 2023, construction of the embankment for the TSF was in progress. Rockfill was being transported from a nearby source. The embankment had reached a height of 20 m, with a planned completion height of 26 m (Figure 9.2).

The rockfill has been placed in 1.0 m thick layers and compacted using a smooth drum vibratory roller with eight passes (Figure 9.2). Compaction densities have been tested using the water replacement method, with three tests conducted for every 5,000 m^3 of fill placed or when issues were identified. The maximum size of boulders in the fill should not exceed two-thirds of the layer thickness (<67 cm). SRK observed that efforts were made to remove large boulders, but that some remained within the exposed layer.

Construction of the graded underlying soils has commenced at the toe of the southern embankment's upstream slope, where protection between the high-density polyethylene (HDPE) lining and the rockfill embankment is needed (Figure 9.2).

The construction of stormwater diversion channels on the northern side of the TSF was completed by December 2023.

The construction of the embankment of Phase I TSF was completed. The liner up to 1,128 m was completed in the second half of 2024 and the remaining work is scheduled for the second half of CY 2025. The TSF was put into operation in November 2024.

Figure 9.2: TSF

Source: SRK site visit June 2025

9.3 Phase 1 TSF characteristics

The Phase 1 TSF characteristics are listed in Table 9.1 (ANTAL, 2020).

Table 9.1: Phase 1 TSF design characteristics

	Design and construction
Designer	ANTAL, 2020
Year of construction	Under construction
	TSF configuration
Tailings dam type	Downstream raise
Length	Approximately 1.2 km
Width	Approximately 2.8 km
Perimeter distance	Approximately 3.6 km
Footprint area and maximum height	116.81 ha (tailings coverage footprint area)
Embankment geometry	Upstream inner slope 1V:2H with one step-in. Overall outer slope 1V:2.5H, two step-ins or benches. Embankment crest is 6.0 m wide.
Raise method	Downstream raise for Phases 1, 2 and 3
Phase 1 construction	Provide sufficient storage for the initial 3 years of operation with a maximum dam height for Phase 1 of 24 m.
Site selected	TSF is located on a gentle slope with an eastern and southern embankment.
	Tailings storage
Slurry delivery (processing plant to TSF)	Two steel pipes (480 mm diameter, 14 mm wall thickness), one operating and one in reserve. Slurry from the processing plant gravitates to the TSF. Energy dissipation stations will be located along the pipeline due to gradient from the processing plant to the TSF (120.30 m height difference).
Slurry distribution in TSF	The main delivery pipes will be connected to two slurry ring main pipelines (ring mains) either side of the TSF (length 2,060.5 m)
Deposition method	Multiple spigot system located along the ring mains for discharge of tailings.
Deposition rate	1,111 m^3/h over 3.2 years
Design capacity	9.725 Mm^3 (to elevation 1,141.00 m)
Target dry density/final placed in situ tailings density	1.35 t/m^3
Tailings slurry concentration	30.5%
Tailings geochemistry	Acid generating
Tailings beach slope	1V:100H

Water management	
Decant system	Floating barge pump with capacity of 710 m^3/h
Seepage control	A lined toe drain is planned for the downstream embankment slope
Total freeboard	Impoundment embankment until full supply level (FSL) (1,141 m) reached, plus 2 m (1,143.00 m)
Return Water Dam	No return water dam. Supernatant water stored on the TSF and pumped directly to the processing plant via a floating barge pump.

Source: compiled by SRK

9.4 Tailings characteristics

The composition of the tailings is provided in Table 9.2. The tailings consists mainly of silicon dioxide — silica (61.4%), aluminum oxide — alumina (12.5%), calcium oxide (5.2%), and iron oxides (4.7%). Oxides of magnesium, potassium and sodium are present at 3.7%, 2.3% and 1.6%, respectively. Remaining constituents are less than 1%.

Table 9.2: Tailings composition

	Content of elements in products (%)		
Description	**Raw ore**	**Concentrate**	**Flotation tailings**
Tungsten trioxide	0.180	66.318	0.033
Bismuth	0.005	0.010	0.005
Molybdenum	0.005	0.030	0.005
Copper	0.020	0.080	0.020
Lead	0.015	0.000	0.015
Zinc	0.020	0.000	0.020
Arsenic	0.030	0.040	0.030
Sulfur	0.770	0.600	0.770
Total iron	4.690	0.600	4.699
Manganese	0.220	0.500	0.219
Calcium oxide	5.230	0.000	5.242
Titanium dioxide	0.650	0.100	0.651
Magnesium oxide	3.740	0.200	3.748
Potassium oxide	2.300	1.100	2.303
Sodium oxide	1.660	0.800	1.662
Silica	61.300	6.500	61.422
Alumina	12.550	18.825	12.536
Tin	0.002	0.010	0.002
Phosphorus pentoxide	0.170	0.040	0.170
Calcium fluoride	0.630	0.100	0.631
LOI (loss on ignition)	4.420	2.500	4.424
Other	1.383	1.647	0.927

Source: ANTAL

9.5 Volumetric assessment

SRK conducted a volumetric model assessment to estimate the storage capacity of the TSF. The model was based on a topographical survey of the TSF construction site that was provided by Jiaxin and undertaken using AutoCAD Civil 3D software. The main parameters of the TSF used in the 3D modeling were taken from the Design Report prepared by ANTAL (2020) (Table 9.3).

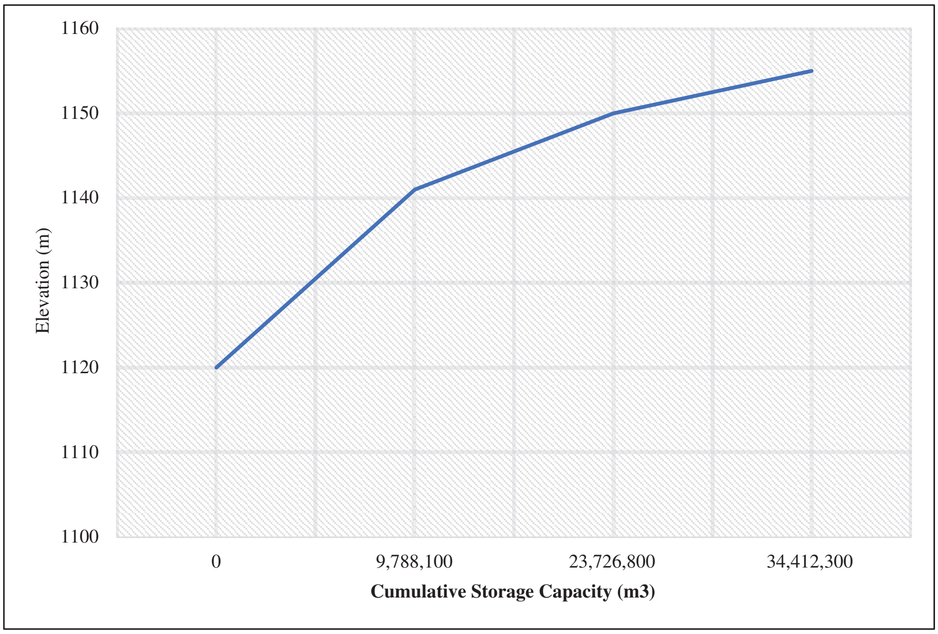
Table 9.3: TSF main design parameters

Criteria	Value
Raise method	Downstream
Upstream slope	1V:2H
Downstream slope	1V:2.5H
Free board	2 m
Dam crest width	6 m
Dam crest elevation	Phase 1: 1,143 m
	Phase 2: 1,152 m
	Phase 3: 1,157 m

Source: ANTAL

According to the volumetric assessment result, the Phase 1 TSF with a designed dam crest elevation of 1,143 m, has storage capacity of 9.8 Mm^3 with 2 m freeboard. In Phase 2, the dam will be raised to 1,152 m, providing a cumulative storage capacity of 23.7 Mm^3 with the same freeboard parameter. The final dam, with a crest elevation of 1,157 m creates a total storage capacity of 34.4 Mm^3 (Figure 9.3). The results from the volumetric assessment are consistent with the storage volume estimated by ANTAL (2020).

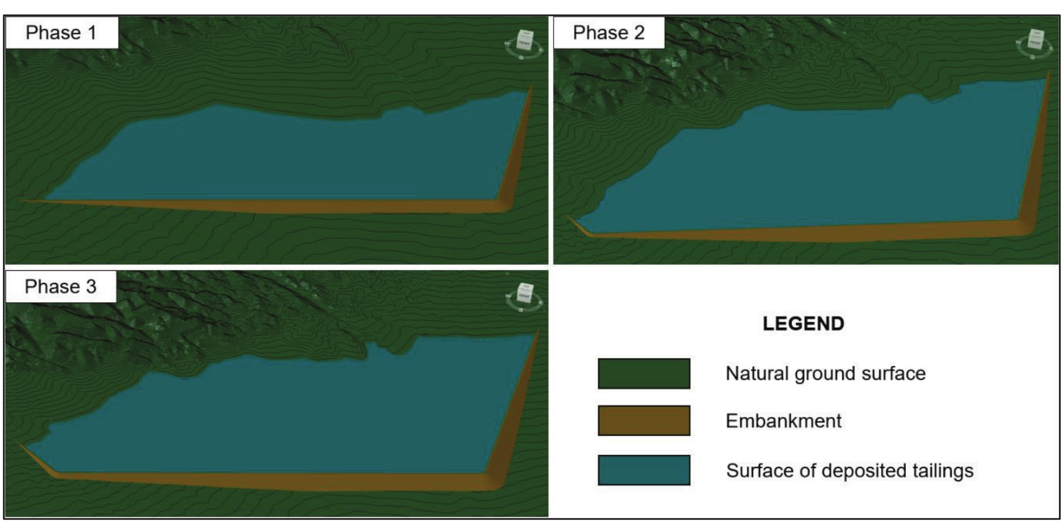
Figure 9.3: TSF storage capacity curve



Source: SRK

Figure 9.4 shows the output from the volumetric model and the development of the TSF during the three phases: Phase 1 with a deposited tailings level of 1,141 m, Phase 2 with a deposited tailings level of 1,150 m and the final Phase 3 showing a tailings deposition level of 1,155 m.

Figure 9.4: TSF volumetric models for Phase1, Phase 2 and Phase 3



Source: SRK

9.6 TSF monitoring

The TSF will be equipped with automated and manual monitoring facilities. The proposed automated monitoring includes dam surface displacement monitoring, seepage line monitoring, water level monitoring in the storage area, rainfall monitoring, and video surveillance of the storage area. Manual monitoring will involve monitoring dam surface displacement, seepage lines, and water levels in the storage area.

9.7 TSF foundations

The TSF footprint is underlain by sandy loam and gravelly soils, ranging from 0.1 m to 33.6 m in the vicinity of the embankment and 1.4 m to 24.9 m in the TSF basin. These soils were removed and stockpiled in an area to the east of the TSF. Sandstone underlies these soils at depths ranging from 1.7 m to 24.5 m.

9.8 Conclusion and recommendations

- The available storage volume of Phases 1, 2 and 3 will meet the tailings volume requirement as confirmed by the volumetric assessment.

- The design does not incorporate tailings underdrainage, resulting in the retention of a portion of the return water and a high phreatic surface, causing a slower consolidation rate for the tailings. However, the conservative design with a dry density of 1.35 t/m^3 minimises the negative impact on the storage volume of the TSF.

- The Project is water negative which requires obtaining fresh water from Charyn River 查仁河, thus highlighting the importance of recovering additional return water. It is necessary to confirm the negative volume of the water balance to ensure an adequate supply for process water.

- The planned extraction of fresh water from the Charyn River 查仁河 presents a risk to the Project if this resource becomes limited or the pipeline becomes damaged.

- The TSF design includes an embankment spillway to mitigate the risk of overtopping. The floating barge pump also has the design capacity to remove water from the basin at a rate that will mitigate the risk of overtopping.

- The lining may be compromised and seepage emanating from the basin may saturate the foundation soils, thereby reducing their strength. However, the foundation soils are sandy and gravelly, making it unlikely that there will be pore pressure build-up and a corresponding reduction in strength.

- SRK recommends installing a well point system in the TSF to recover more process water and improve consolidation.

- Additional on-site QAQC checks are required to ensure the construction process aligns with the design intent.

10 TUNGSTEN MARKET AND MACROECONOMICS

10.1 Introduction

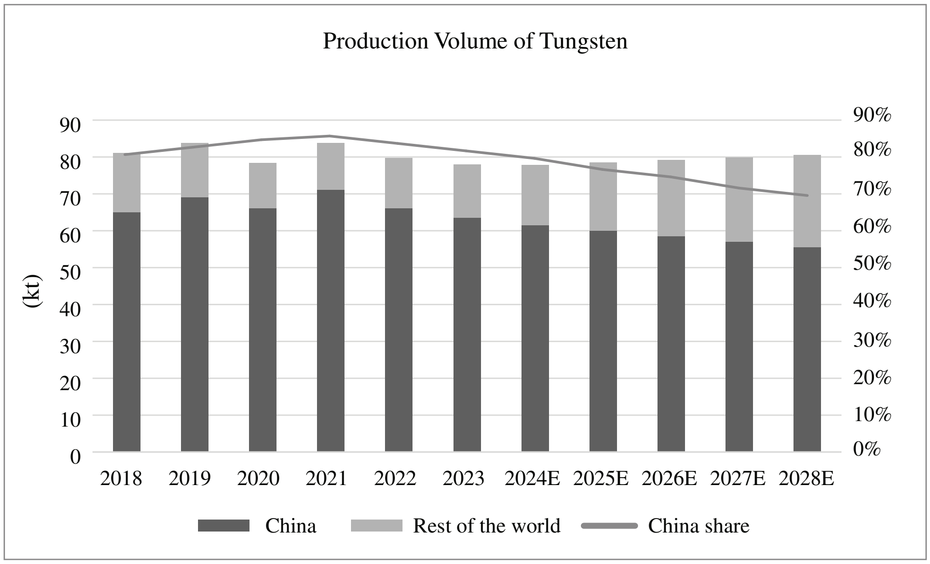
The Company engaged Frost & Sullivan (F&S), an independent market research and consulting company, to conduct a market study on the tungsten markets in China, Kazakhstan and globally and to provide a forecast on prices for tungsten concentrates and APT (F&S, 2025). The market study relies on various sources including the China Tungsten Industry Association, the Bureau of the National Statistics of the Republic of Kazakhstan, United States Geological Survey, the Company itself and F&S's own analysis. The following tungsten market summary is primarily based on the market study, which considers these sources as reliable, as well as other publicly available information and additional sources subscribed to by SRK, such as S&P Global Intelligence and the National Bank of Kazakhstan.

10.2 Demand

Global demand has risen steadily between 2018 and 2023, with a compound annual growth rate (CAGR) of 3.0% while the demand from China has increased at a slower rate of 2.2% CAGR. China accounted for 45% of demand in 2018, which decreased to 43% in 2023. According to F&S, the global demand for tungsten will continue to rise from 2023 to 2028 with a CAGR of 4.0% globally or 3.4% from China. Cemented carbides are the primary use for tungsten, followed by steel and alloys, mill products and chemicals and others. F&S forecasts the global tungsten demand to reach 151.1 kt by 2028 (Figure 10.1).

The automotive industry represents the largest end-use segment for tungsten, followed by industrial applications, transport, mining, construction and consumer goods. F&S considers that the growing market for new energy vehicles (NEVs) is a key driver for increased tungsten material demand. China is expected to have a higher rate of consumption of tungsten due to its higher NEV penetration rate compared to other countries. Further growth in NEVs and photovoltaic (PV) stations in China, and globally, has resulted in a significant increase in tungsten consumption.

Figure 10.1: Global tungsten demand



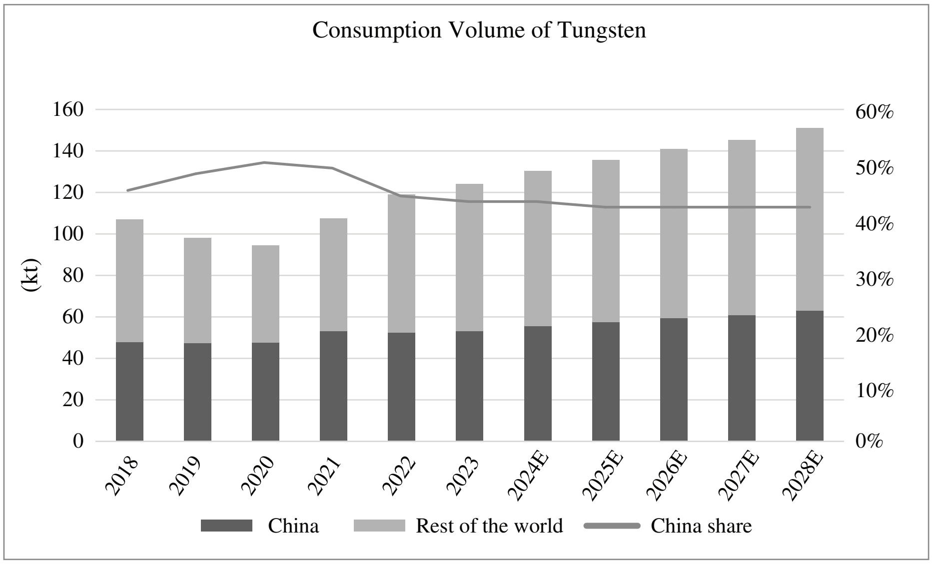
Source: F&S

10.3 Supply

The world tungsten production has remained relatively stable between 2018 and 2023, except for a significant fall in production in 2020 due to the onset of the COVID-19 pandemic. During this period, the annual production ranged from 81,100 t to 78,000 t of tungsten concentrate, with China dominating the market, representing 80~85% of global production. Most of the Chinese tungsten mines are located in the Jiangxi, Hunan and Henan Provinces. Vietnam is the second largest tungsten producer (Masan Group's Nui Phao tungsten mine) followed by Russia and Bolivia. In Kazakhstan, there are currently no operating tungsten mines, but there a few tungsten projects are at the feasibility stage (e.g. the North Katapal Severniykatpar tungsten-molybdenum-bismuth-copper project, located in central Kazakhstan) or under construction (this Project).

According to F&S forecasts, global production is expected to rise steadily from 2023 to 2028 at a CAGR of 0.6%. China's production rate will grow slower than the rest of the world at a CAGR of -2.7%. China's dominance of tungsten production is therefore projected to decrease slightly from 81% to 69% between 2023 and 2028 (Figure 10.2). To conserve mineral resources, the Ministry of Natural Resources of China implements an annual quota system for tungsten mining. This quota determines the total amount of tungsten mining allowed and the quota is then distributed among different tungsten mining enterprises. This approach helps maintain a stable output of tungsten concentrate. According to the Chinese Ministry of Natural Resources, China has set its 2023 mining quota for tungsten concentrate at 111,000 t. China also does not allow the export of tungsten concentrate and imposes a 13% value-added tax (VAT) on imports.

Figure 10.2: Global tungsten concentrate supply



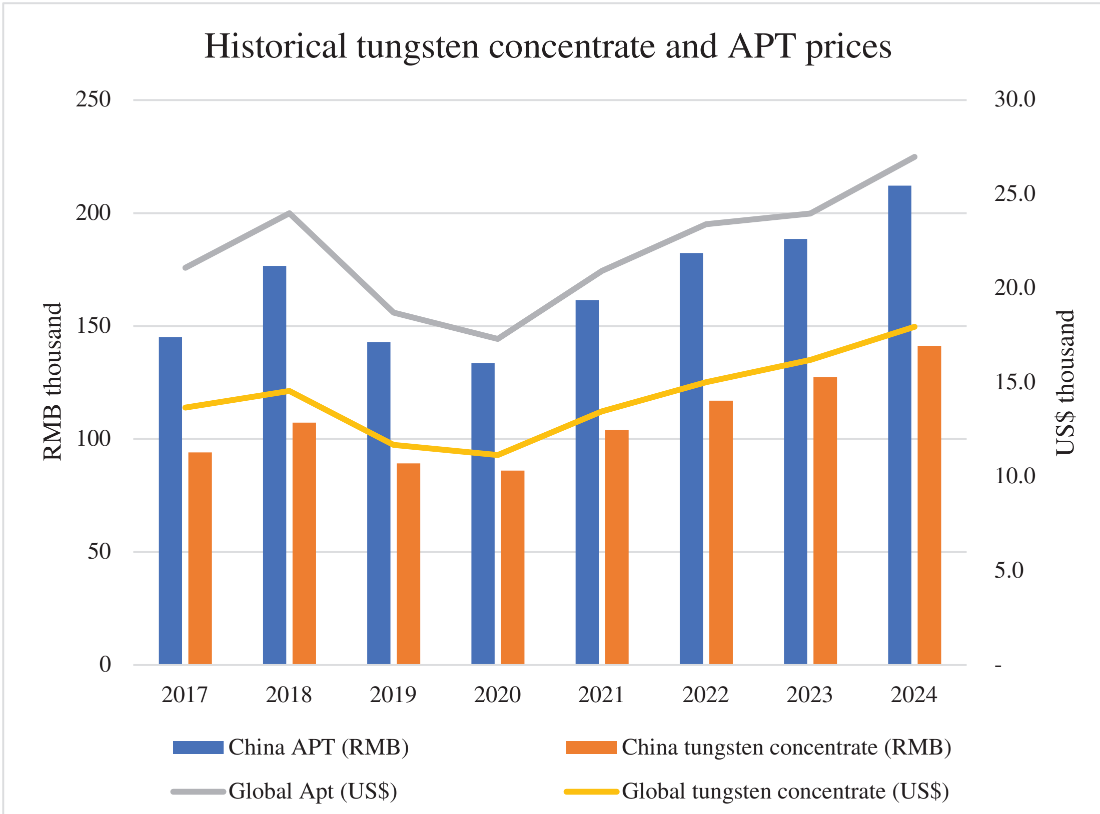
Source: F&S

10.4 Historical prices

Mineral commodity markets typically display cyclical behavior, characterised by significant price fluctuations over time. However, these fluctuations are often observed within a broader, long-term trend of declining real prices. This trend is driven by technological advancements that continually reduce production costs at mines. In the tungsten market, tungsten concentrate prices are predominantly based on a discounted APT price and thus follow similar trends to prices for APT between 2017 and 2024.

Figure 10.3 shows the historical tungsten concentrate and APT prices. The global tungsten concentrate price decreased in nominal terms from 2017 (US$13,700/t) to 2020 (US$11,200/t) and increased steadily to 2024 (US$18,000/t). In China, a similar trend was present in which the tungsten concentrate price in nominal terms (VAT inclusive) bottomed in 2020 (RMB82,000/t) and reached RMB141,200/t in 2024. According to F&S, the increase in prices since 2020 is due to the shortage of global supply.

Figure 10.3: Historical global and China tungsten concentrate and APT prices



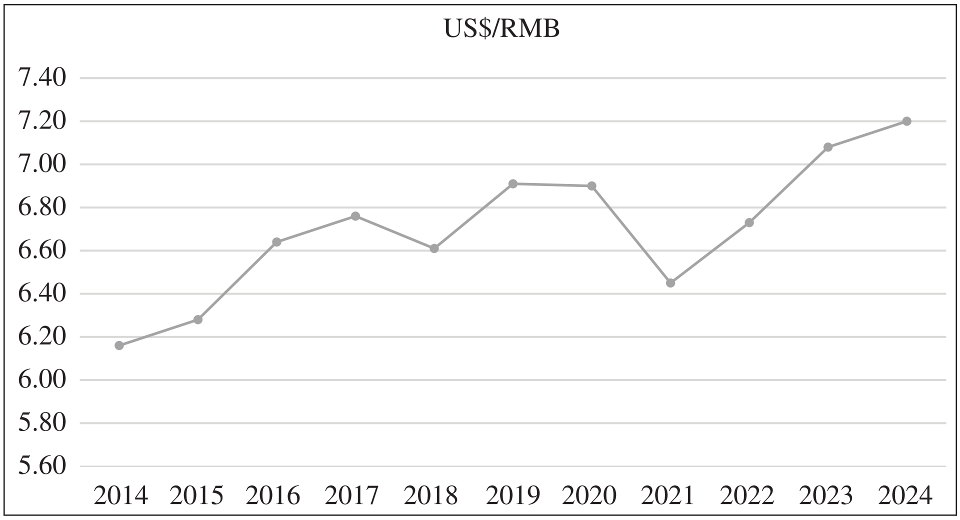
Source: F&S

10.5 Exchange rates

The Project is located in Kazakhstan and a significant portion of the consumables and reagents are sourced from China. The expenditure on wages for Chinese employees is greater than for Kazakh employees. Moreover, the planned sales show all tungsten concentrate being sold to the Chinese market. Consequently, exchange rate fluctuations between the Chinese Renminbi (RMB), Kazakhstan Tengi (KZT) and United States dollars (US$) will have an impact on the economics of the Project.

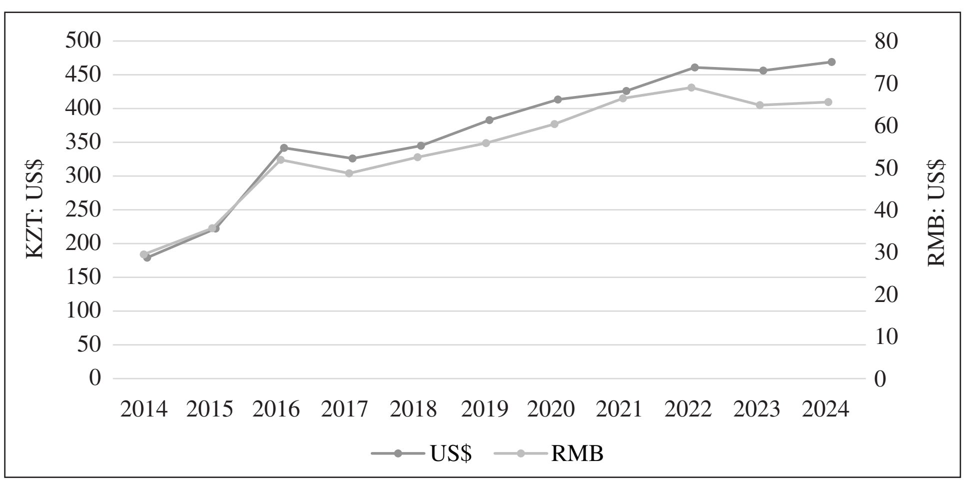
Figure 10.4 presents the exchange rates between the KZT, US$ and RMB. Over the last 10 years there has been a steady depreciation of the KZT against the US$ and RMB. The exchange rate between the KZT and the US$ has increased from 150 to 520. Similarly, the exchange rate between the KZT and the RMB has risen from 4 to 71 (Figure 10.4). The exchange rate between the RMB and the US$ has increased from 6.15 to 7.28 during the same period (Figure 10.5).

Figure 10.4: Historical exchange rates against the KZT between 2014 and 2024



Source: National Bank of Kazakhstan

Figure 10.5: Historical US$/RMB exchange rate between 2014 and 2024



Source: Bloomberg (accessed on 31 December 2024)

10.6 Forecast prices

F&S forecasts that the prices for APT and tungsten concentrates in nominal terms will exhibit a significant uptrend from CY2025 to CY2030, considering the recovery of the tungsten downstream market and the easing of the impacts from the COVID-19 pandemic. The global tungsten concentrate price in nominal terms is expected to increase from US$20,200/t in CY2025 to US$26,200/t in CY2030. Similarly, the tungsten concentrate price in China (VAT inclusive) in nominal terms is projected to increase from RMB/t 163,000 in CY2025 to RMB/t 219,000 in CY2030, representing a 34% increase.

F&S has not provided the prices in real terms nor a long-term price (LTP) forecast. SRK has used F&S forecast price index and inflation forecast to derive the forecast prices. SRK has assumed the price will remain steady after CY2030 and has used the CY2030 forecast price as the LTP. SRK notes that the spot price as of 30 June 2025 is RMB/t 172,000 (VAT inclusive) or RMB152,000/t (VAT exclusive). Therefore, SRK has elected to use the spot price for H2 2025 and the forecast prices by F&S for the economic viability analysis.

The commodity price assumptions in Table 10.1 were used for reporting the Mineral Resource and Ore Reserve Statements.

Table 10.1: Forecast commodity price assumptions

	2025E	2026E	2027E	2028E	2029E	2030E
Tungsten concentrate — China (RMB thousand) nominal VAT inclusive	163	180	190	200	210	219
Tungsten concentrate — China (RMB thousand) nominal VAT exclusive	144	159	168	177	186	194
Tungsten concentrate — China (RMB thousand) real VAT inclusive	163	179	188	196	203	210
Tungsten concentrate — China (RMB thousand) real VAT exclusive	144	159	166	174	180	186
Inflation	0.50%	0.66%	0.92%	1.11%	1.10%	1.10%
Price Index	1.000	1.005	1.012	1.021	1.032	1.044
VAT	13%	13%	13%	13%	13%	13%

Source: Price and inflation (F&S)

10.7 Customers and Sales

As of 30 June 2025, a total of 1,033.6 t of scheelite concentrate has been sold. SRK has reviewed sales agreements with Jiangxi Tungsten, a company based in China, which fall into two categories. The first type of agreement, signed on 8 December 2024, requires Jiaxin to sell 200 t of scheelite concentrate per month from April to December 2025, totaling 1,800 t. Under this agreement, Jiaxin is responsible for shipping the concentrate to the designated warehouse and the price is determined based on concentrate grades and the prices posted on the 5th and 20th day of each month on the website www.comelan.com. The second type of agreement, signed between May and June 2025, specifies the same point of delivery as the first type, but the price is explicitly stated within the agreements.

11 CAPITAL AND OPERATING COSTS

11.1 Capital cost

The capital cost forecast has been prepared based on the Preliminary Design, the contract with the primary contractor, CCECC. Full-scale construction commenced in May 2021. The forecast capital cost has been reconciled with the actual capital cost. The forecast capital cost has been updated recently by the Company's financial team.

The capital cost of the Project has been incurred since 2020. From CY2020 to H1 CY2025, a total of RMB1,712.0 million has been incurred. The budgeted amounts (including contingencies) for H2 CY2025 and CY2026 are RMB315.5 million and RMB309.3 million respectively. The total incurred and forecast capital cost for the initial development of the Project amounts to RMB2,236.3 million (Table 11.1). Upon the completion of initial development by 2026, the Project will have capacity to process 3.3 Mtpa of ore in Phase I and increase this to 4.95 Mtpa in Phase II.

The raising of the TSF is planned for Phase 2 and Phase 3 (Section 9.1) in 2026 and 2034, respectively. The cost associated with this work amounts to RMB232.2 million for Phase 2 and RMB232.2 million for Phase 3, totaling RMB466.0 million. The estimated mine closure cost is RMB16.5 million. The total cost for the initial development, subsequent raising of the TSF and mine closure cost amounts to RMB2,719.3 million.

The major capital cost centres include the TSF, followed by the processing plant system and processing plant equipment. Including contingency, the cost for all three phases of TSF development totals RMB827.7 million. The processing plant system, including the foundation and structure of the processing facilities, the conveyor belt from the primary crushing station to the processing plant complex, and others, totals RMB627.5 million. The procurement and installation of processing plant equipment amount to RMB381.4 million. The ore sorting system has been budgeted at RMB138.3 million. A contingency has been budgeted for the remaining capital cost projection. SRK has reviewed the breakdown of the capital cost forecast and considers that appropriate capital has been allocated to support the remaining initial development, including the ore sorting system and the construction of Phase 2 and Phase 3 of the TSF. The mine closure cost estimate appears to be on the low side. The estimated capital cost is considered reasonable. The capital unit cost over the LOM is estimated to be 40 RMB/t ore or 15,900 RMB/t concentrate.

Table 11.1 Historical and forecast capital cost (RMB million)

Cost Center	Total LOM	2020	2021	2022	2023	2024	H1 2025	H2 2025	2026	2027-2033	2034-2040
Mine stripping	65.7	0.0	0.0	16.7	40.0	4.7	0.0	1.2	3.0	0.0	0.0
Processing Plant System	610.7	1.0	31.0	132.6	274.2	3.8	21.0	45.9	101.3	0.0	0.0
Tailings Storage Facility	774.7	0.0	50.6	34.4	96.6	114.5	0.0	50.4	100.1	121.2	211.7
Processing Equipment	371.0	0.0	16.1	56.4	134.5	135.6	0.0	18.9	16.4	0.0	0.0
Power supply	96.7	0.0	1.6	3.1	40.6	48.6	0.0	2.2	1.7	0.0	0.0
Heating system	43.5	0.0	0.0	0.0	5.0	41.2	0.0	0.6	0.5	0.0	0.0
Telecommunication system	8.8	0.0	0.0	0.0	5.0	3.5	0.0	0.3	0.2	0.0	0.0
Water supply and reticulation system	82.4	0.0	6.0	0.0	17.7	39.0	0.0	17.7	1.8	0.0	0.0
Roads and other ancillary facilities	137.6	0.0	11.7	10.0	20.8	60.2	0.0	37.5	3.0	0.0	0.0
Office, camp and others	35.9	0.0	0.0	0.0	0.0	36.7	0.0	1.4	1.1	0.0	0.0
Ore sorting system	125.8	0.0	0.0	0.0	0.0	0.0	0.0	73.7	52.1	0.0	0.0
Other	235.8	24.2	16.4	17.4	58.7	80.8	0.0	38.3	0.0	0.0	0.0
Mine closure	16.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.9
Contingency	113.9	0.0	0.0	0.0	0.0	0.0	0.0	27.0	28.0	12.1	21.1
Total	2,719.3	25.2	133.3	270.6	693.3	568.5	21.0	315.1	309.3	133.2	249.7

Source: Independent Technical Report

Note: Some totals may not correspond to the sum of the separate figures due to rounding.

11.2 Operating cost

Table 11.2 presents the actual operating cash costs for the period from January to June 2025, which totaled RMB118.4 million. The largest cost components were general and administrative expenses (RMB42.1 million) and mining (RMB40.8 million), followed by processing (RMB34.9 million). Additionally, resource tax accounted for RMB0.7 million.

An operating cost forecast was prepared based on the Preliminary Design, actual costs incurred during the trial production period and updates provided by the Company's financial team. The forecast encompasses all activities, including contract mining, crushing, screening, ore sorting (Phase II), processing, and product transportation. General and administrative expenses, resource tax, and other site-related costs have also been taken into account (Table 11.3).

Table 11.2 Actual operating cost (January-June 2025)

By types	**RMB million**
Mining	40.8
Processing	
Labor	*3.6*
Consumables	*15.8*
Fuel, Electricity and Water	*15.1*
Maintance and Other Services	*0.3*
Subtotal	*34.9*
General and Administrative	42.1
Sales	0.0
Resource tax	0.7
Total	118.4

By activities	**RMB million**
Workforce employment	32.3
Consumables	15.8
Fuel, Electricity, water and other services	55.9
On and off-site administration	8.6
Environmental protection and monitoring	0.0
Transportation of workforce	2.5
Product marketing and transport	0.7
Non-income taxes, royalties and other government charges	2.6
Contingency allowances	0.0
Total	118.4

Source: Jiaxin

The key assumptions for the operating cost estimates are based on the current mining contract, contracts with or quotations from consumables providers, contracts with employees, the current government contract for water price, and research on current and projected fuel and electricity prices. The applicable taxes include a resource tax of 7.8% of revenue.

In real terms, the contract mining cash cost is projected to be RMB71.9 million in H2 CY2025 and reach its peak in 2029, amounting to RMB195.9 million. As the total amount of material being moved decreases, the mining cost will gradually reduce. The processing cash cost is estimated to be RMB144.6 million in H2 2025 at a target annual throughput of 1.65 Mt of ore. There will only be a modest increase in the processing cost (RMB311.6 million) in 2027 when the target annual throughput rises to 4.95 Mt due to the installation of the ore sorting system, which effectively reduces the average processing cost (see processing cost breakdown Table 11.3). Starting from 2027, the general and administrative cost is expected to remain steady at RMB96.2 million per year. The sales cost and resource tax will be proportional to the amount of concentrate produced annually. The sales cost includes the hauling of tungsten concentrate from the mine to the Khorgos border crossing and custom clearance fee. Between 2027 and 2039, the forecast sales cost ranges from RMB14.0 million to RMB33.1 million per year, while the resource tax is anticipated to be between RMB25.7 million and RMB35.5 million.

By CY2027, as the Project attains its target production rate of 4.95 Mtpa and the ore sorting system for Phase II development is implemented, the total operating cash cost is projected to be RMB606.1 million. However, the total operating cash unit cost is expected to decrease significantly, from 200 RMB/t ore and 91,000 RMB/t concentrate in H2 2025, to 122 RMB/t ore and 44,400 RMB/t concentrate in 2027.

SRK has reviewed the breakdown of the operating cost forecast and considers it reasonable. Although most of the consumables are sourced from China and Chinese employees represent a portion of the workforce with their cost and wages denominated in RMB, the remaining operating costs are denominated in KZT. SRK notes that there is a long-term depreciation of KZT against RMB (Figure 10-4), however appropriate management of the exchange rate fluctuation risk is required. In addition, the risk of inflation in Kazakhstan impacting operating costs has to be managed properly.

Table 11.3 Operating cost forecast (real)

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Mining																	
Ore	Mt	68.4	2.5	5.2	8.1	4.4	2.1	3.4	4.7	5.1	5.0	5.0	5.1	5.4	5.4	5.4	1.7
Waste	Mt	104.9	4.5	10.2	4.8	12.9	16.3	14.7	10.1	10.8	4.8	4.6	3.4	2.8	2.0	2.7	0.2
Total materials moved	Mt	173.3	7.0	15.3	12.9	17.4	18.4	18.0	14.9	16.0	9.8	9.6	8.6	8.1	7.3	8.1	1.9
Strip Ratio		1.53	1.81	1.96	0.60	2.91	7.86	4.36	2.13	2.12	0.94	0.93	0.66	0.52	0.36	0.51	0.13
Grade	WO_3%	0.206	0.164	0.196	0.190	0.178	0.174	0.203	0.180	0.238	0.213	0.203	0.205	0.231	0.240	0.226	0.195
High-grade Ore	Mt	53.2	1.7	3.8	5.5	3.3	1.5	2.6	3.4	4.2	4.0	4.0	4.0	4.4	4.9	4.8	1.2
Grade	WO_3%	0.0	0.191	0.228	0.228	0.201	0.201	0.229	0.207	0.267	0.239	0.227	0.230	0.257	0.252	0.239	0.226
Medium-Grade Ore	Mt	7.8	0.4	0.8	1.2	0.6	0.3	0.3	0.7	0.5	0.6	0.6	0.6	0.5	0.3	0.4	0.2
Grade	WO_3%	0.0	0.123	0.124	0.124	0.124	0.124	0.125	0.124	0.124	0.124	0.123	0.124	0.124	0.125	0.125	0.124
Low-grade Ore	Mt	7.5	0.4	0.7	1.4	0.6	0.4	0.4	0.7	0.5	0.4	0.5	0.5	0.5	0.2	0.2	0.2
Grade	WO_3%	0.0	0.099	0.099	0.099	0.098	0.100	0.098	0.101	0.100	0.100	0.099	0.099	0.099	0.097	0.103	0.099
Processing																	
Feed ore	Mt	68.4	1.65	3.80	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	3.58
Feed ore grade	WO_3%	0.0	0.191	0.227	0.228	0.187	0.140	0.169	0.176	0.243	0.215	0.204	0.209	0.242	0.251	0.235	0.147
Recovery	%	various[(1)]	75.00	83.00/ 78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85	78.85
Concentrate at 65% WO_3	t	171,003	3,638	10,900	13,665	11,228	8,382	10,172	10,596	14,578	12,936	12,276	12,549	14,527	15,065	14,119	6,371
Operating Cash Cost																	
Mining	RMB million	1,800.7	71.9	158.2	132.7	180.3	195.9	189.1	153.5	164.6	101.0	99.4	88.2	83.8	75.7	83.2	23.2
Processing																	
Labor	*RMB million*	*696.9*	*24.4*	*52.8*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*48.7*	*35.2*
Consumables	*RMB million*	*2,389.1*	*82.1*	*177.5*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*167.4*	*121.0*
Fuel, Electricity and Water	*RMB million*	*918.6*	*30.2*	*65.4*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*64.7*	*46.8*
Maintenance and Other Services	*RMB million*	*416.9*	*7.8*	*16.9*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*30.8*	*22.3*
Subtotal	RMB million	4,421.5	144.6	312.5	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	311.6	225.2
General and Administrative	RMB million	1,413.6	94.7	94.7	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	96.2	69.6
Sales	RMB million	376.2	8.0	24.0	30.1	24.7	18.4	22.4	23.3	32.1	28.5	27.0	27.6	32.0	33.1	31.1	14.0
Resource tax	RMB million	490.9	11.9	27.3	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	35.5	25.7
Total	RMB million	8,502.9	331.0	616.6	606.1	648.3	657.6	654.8	620.2	640.0	572.8	569.8	559.2	559.1	552.2	557.6	357.7

Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Operating Cash Unit Cost																	
Mining	RMB/t ore	26.3	29.0	30.5	16.5	40.6	94.2	56.3	32.4	32.1	20.0	19.9	17.1	15.6	14.0	15.5	14.0
Processing																	
Labor	*RMB/t processed*	*10.2*	*14.8*	*13.9*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*	*9.8*
Consumables	*RMB/t processed*	*34.9*	*49.6*	*46.7*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*	*33.8*
Fuel, Electricity and Water	*RMB/t processed*	*13.4*	*18.3*	*17.2*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*	*13.1*
Maintenance and Other Services	*RMB/t processed*	*6.1*	*4.7*	*4.4*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*	*6.2*
Subtotal	RMB/t processed	64.6	87.4	82.2	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9	62.9
General and Administrative	RMB/t processed	20.7	57.2	24.9	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4	19.4
Sales	RMB/t processed	5.5	4.8	6.3	6.1	5.0	3.7	4.5	4.7	6.5	5.7	5.5	5.6	6.5	6.7	6.3	3.9
Resource tax	RMB/t processed	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2	7.2
Total	RMB/t processed	124	200	162	122	131	133	132	125	129	116	115	113	113	112	113	100
	RMB/t concentrate	49,800	91,000	56,600	44,400	57,800	78,500	64,400	58,600	43,900	44,300	46,500	44,600	38,500	36,700	39,500	56,200
Operation Unit Cost																	
Total	RMB/t processed	159	235	194	151	160	161	161	154	158	144	151	149	149	148	149	179
	RMB/t concentrate	63,500	106,900	67,600	54,800	70,400	95,400	78,300	71,900	53,600	55,200	61,100	58,900	50,900	48,600	52,200	100,700

Source: Independent Technical Report

Notes:

1 Target recovery rates: H2 2025:75%, 2026:83% and 78.85% (with the ore sorting system).

2 The cost for equipment replacement and refurbishment has been allocated to the processing cost, amounting to RMB3.29 million per year.

3 General and Administrative costs include a payment of approximately RMB1.0 million per year to the Kazakhstani Government for the mine rehabilitation fee.

4 Some totals may not correspond to the sum of the separate figures due to rounding.

5 High-grade ore is defined at a cut-off grade of >0.14% WO_3; Medium-grade ore is defined at a cut-off grade between 0.12%-0.14% WO_3 and low-grade ore is defined at a cut-off grade of 0.06% WO_3.

11.3 Economic viability assessment

SRK has prepared a technical economic model (TEM) to evaluate the economic viability of the Project. The TEM is based on the capital and operating costs, the mining schedule (Table 6.8) and the processing plant production schedule (Table 7.19). The tungsten concentrate is assumed to be sold on the Chinese side of the Khorgos border crossing at the forecast sales prices (Table 10.1). The assessment has been carried out in RMB, with constant exchange rates of US$/RMB at 7.08 and RMB/KZT of 64.45. The assessment is in nominal terms, assuming a 2% annual inflation for both RMB and KZT denominated costs.

The TEM also includes a resource tax at a rate of 7.8% of revenue. The value-added tax (VAT) related to sales and operating cost has not been modeled, as it assumes that the VAT is paid and recovered within the same year. However, the VAT related to capital cost has been determined and assumed to be rebated within the same year. The corporate tax rate is 20%.

A discount cash flow model has been prepared on a post-tax basis. This assessment does not take into account any finance costs or company debt. Net present values (NPV) are determined at various discount rates. It is important to note that the NPVs only represent a measure of the Project's economic viability and do not represent the fair market values or profitability of the Project. The Project generates positive NPVs (post-tax) at a range of discount rates (Table 11.4), indicating its economic viability and justifying the declaration of Ore Reserves as presented in Table 6.11.

At the forecast production rates, it will take approximately 15 years to deplete the Ore Reserve. The breakeven analysis shows that the post-tax NPV at 10% discount rate will become zero when the average tungsten concentrate price is approximately RMB64,000/t. The payback period, which is the amount of time required to recoup the initial development capital, is approximately 3.1 years.

Table 11.4 Post-tax NPVs at various discount rates (nominal, RMB million)

8%	10%	12%	14%
10,725	9,502	8,476	7,611

Source: SRK

A post-tax sensitivity analysis at 10% discount rate (nominal) has also been undertaken against the key parameters (Table 11.5 & Figure 11.1). The analysis shows that:

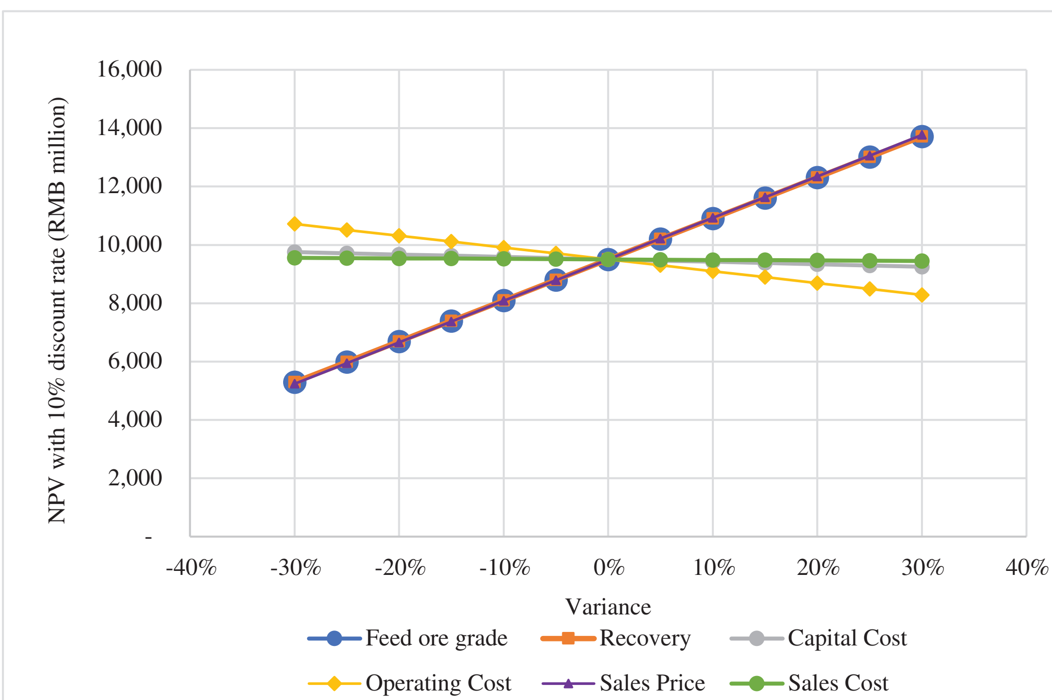
- 1% change in feed ore grade will result in 1.48% increase in NPV.
- 1% change in processing recovery will result in 1.48% increase in NPV.
- 1% change in capital cost will result in 0.09% decrease in NPV.
- 1% change in operating cost will result in 0.43% decrease in NPV.
- 1% change in sales price will result in 1.50% increase in NPV.
- 1% change in sales cost, including the hauling of tungsten concentrate to the Khorgos border crossing and custom clearance fee will result in 0.02% decrease in NPV.

Table 11.5 Post-tax NPV sensitivity analysis at 10% discount rate (nominal, RMB million)

Variance	Feed ore grade	Recovery	Capital Cost	Operating Cost	Sales Price	Sales Cost
30%	13,720	13,720	9,243	8,286	13,775	9,448
25%	13,017	13,017	9,286	8,488	13,063	9,457
20%	12,314	12,314	9,330	8,691	12,350	9,466
15%	11,611	11,611	9,373	8,894	11,638	9,475
10%	10,908	10,908	9,416	9,097	10,926	9,484
5%	10,205	10,205	9,459	9,299	10,214	9,493
0%	9,502	9,502	9,502	9,502	9,502	9,502
-5%	8,799	8,799	9,545	9,705	8,790	9,511
-10%	8,096	8,096	9,588	9,907	8,078	9,520
-15%	7,393	7,393	9,631	10,110	7,366	9,529
-20%	6,690	6,690	9,674	10,313	6,654	9,538
-25%	5,987	5,987	9,718	10,516	5,941	9,547
-30%	5,284	5,284	9,761	10,718	5,229	9,556

Source: SRK

Figure 11.1 Post-tax NPV sensitivity analysis at 10% discount rate (nominal, RMB million)



Source: SRK

12 ENVIRONMENTAL AND SOCIAL

12.1 Introduction

This section provides information on the Project context, the legal framework in Kazakhstan, permitting processes, and risk assessment. It aims to help the reader understand the environmental and social setting of the Project area and the key modifying factors that could impact the estimation of Mineral Resources and/or Ore Reserves.

12.2 Legal and regulatory framework

SRK has not reviewed the rights of the Company to mine from a legal perspective. Consequently, SRK has relied on advice from the Company to the effect that the Company will be entitled to mine all material reported here, and that all necessary statutory mining authorisations and permits are in place. SRK's review has rather been restricted to confirming the stated Mineral Resources and Ore Reserves in this Report are within the licence boundaries and also reviewing the technical commitments attached to these licences. Notwithstanding this, this section of the Report includes a summary of the mining law in Kazakhstan as it impacts the Company's assets.

12.2.1 Subsoil law and subsoil code

According to the Constitution of the Republic of Kazakhstan (1995, as amended), natural resources, including minerals, belong to the people of Kazakhstan. Rights to use solid minerals are referred to as 'subsoil use rights' and are granted in the form of exploration or mining licences under the Subsoil and Subsoil Use Code (the 'Subsoil Code'). This Code was adopted in December 2017 and came into effect in June 2018. It is noted that 'subsoil use' is a term in the legislation used to refer to the exploration and mining operations; similarly, 'subsoil user' is a person or entity that possesses the subsoil use rights.

Before the approval of the Subsoil Code, subsoil use rights to use hard minerals were granted under contracts for the right of exploration, mining, or combined exploration and mining (subsoil use contracts), as in the case of this current Project. Since 29 June 2018, when the Subsoil Use Code came into effect, subsoil use rights have been granted under the subsoil use licences (subsoil licences) regime, as exploration or mining ones. These licences are issued by the MIC. Mining and exploration contracts obtained before 29 June 2018 remain in force.

The Subsoil Code requires compliance with taxation, environmental and industrial safety legislation. Subsoil use rights include licences which envisage payment of special taxes and other obligatory payments by subsoil users. Compliance with environmental legislation is required from the earliest stages of planning a mining project, including project conceptualization and design. The Subsoil Code also covers responsible mining compliance and enforcement. Subsoil users in Kazakhstan are subject to extensive environmental protection regulations. The Ministry of Ecology and Natural Resources of the Republic of Kazakhstan (MENR) is the principal state authority for environmental protection. Among other things, it issues environmental permits and licences and establishes limits for environmental emissions. Environmental approvals and reporting are also required under the terms of the *Environmental Code of the Republic of Kazakhstan 2021*.

Mining companies in Kazakhstan are considered subsoil users after they have acquired relevant licences (i.e., subsoil use rights). According to the Article 76 of the Subsoil Code, all subsoil users must regularly report on their operations; this includes reporting on the Extractive Industries Transparency Initiative (EITI). Articles 195 and 215 describe the subsoil users' reporting requirements for exploration and mining operations, respectively. Information on implementation of terms and conditions prescribed by mining and/or exploration contracts and licences, as well as data on procurement, employment, training, and investment in the socio-economic development of the region where deposit sites are not considered confidential.

This information is normally disclosed in:

- the regular EITI reports
- the official website of the Unified State System of Subsoil Use ('EGSU' in national terms; **https://egsu.energo.gov.kz**), an integrated information system of the regulator
- the annual report on subsoil use and terms and conditions of subsoil use (called 'LKU reports' in national terms).

Statutory accounting records are maintained in accordance with the Law on Accounting and Financial Reporting, under which most companies should prepare financial statements under International Financial Reporting Standards (IFRS).

12.2.2 Land tenure legislation

The subsoil user or mining licence holder does not automatically obtain the right to the surface land plot above the deposit. Surface rights are granted by the city or district council (Akimat) or leased from the landowner. The surface land holder must negotiate the terms of land leasing and register its rights for the land plot separately. The registration procedure depends on the land plot category (forest, land or water resources, settlements, etc.). Surface rights to the land plots are provided to the subsoil use licence holder on a temporary basis to enable access to the minerals. However, it does not prevent the mining licence holder from purchasing the land and becoming the landowner.

The Land Code of the Republic of Kazakhstan (2003, as amended) enables land to be given designated uses. The Land Code requires owners/users of land, whether state or privately owned, not to harm public health or the environment, not to pollute the land or cause deterioration in soil fertility, to conserve topsoil, and to rehabilitate disturbed land. The Land Code allows for state appropriation of land for 'public needs' (which may include mineral exploration or exploitation) or if the land is not being used as per its designated land use. It also includes the legal procedure for changing the land use category. Managing land is the responsibility of the Committee for Land Management of the MENR.

12.3 Taxation

In Kazakhstan, the main taxes paid by mining companies (subsoil users) are:

- Corporate Income Tax: Payable by all legal entities and applied at a rate of 20% to taxable income.

- Rents: This represents the fee for the use of land plots where exploration and mining activities are taking place. The rent payments are payable on a quarterly basis.

- Liquidation Funds: These are obtained from the procurement of a subsoil use contract or licence and are not considered income deductions, or accumulated in accordance with a closure plan.

- Mineral Extraction Tax (MET): Payable on the extracted volumes of all minerals including crude oil, gas condensate, natural gas, metals and other minerals and ground water. It is due for payment once the ore is extracted and deducted from the annually reported 'state reserve'. The MET replaced the royalty that applied to subsoil users under the previous Tax Code. The MET for minerals varies depending on the type of mineral.

12.3.1 Environmental and social obligations

As noted above, compliance with environmental legislation is required from the earliest stages of planning a mining project, including project conceptualization and design. Responsible mining is covered in Articles 52 to 58 of the Subsoil Code and compliance and enforcement are covered in Articles 66 to 68 of the Subsoil Code.

The Subsoil Code (Article 28) also includes provisions that promote local employment and procurement and investment in local training and research. Articles 212 and 213 of the Subsoil Code provide further specifications relevant to training, research and local procurement.

Exploration and mining licences generally contain project-specific conditions regarding environmental and social management. These conditions are mandatory, and non-compliance is a ground for suspension of operation and withdrawal of a licence.

12.3.2 *Closure obligations*

The Subsoil Code presents closure requirements for mining operations including exploration. The legal and colloquial term for closure in Kazakhstan is 'liquidation.' These two terms ('closure' and 'liquidation') are used interchangeably in this section.

The Subsoil Code requires the applicant for an exploitation (mining) licence to:

- Provide a mine closure plan as part of its application for a mining licence
- Undertake geochemistry testwork to determine acid rock drainage and metal leaching potential and incorporate the findings into the closure plan
- Include climate change projections in the closure plan
- Include a cost estimate in the mine closure plan to cover the rehabilitation of disturbed areas and decommissioning of the mine and any associated processing and waste facilities
- Provide financial assurance for the full cost of mine closure by means of a bank deposit, a corporate guarantee or insurance (the insurance is governed by the civil legislation of the Republic of Kazakhstan) in accordance with the closure plan
- Periodically review and update the closure cost estimate (at least once in 3 years or whenever a mine plan is updated)

According to the legislation, the closure plan is an integrated part of the mining operations and linked to the mine plan. Four years prior to the end of the mine life, the mine operator develops a final closure plan which must be approved by the regulatory authorities and implemented to appropriately close the mine. The final closure plan is referred to as a 'liquidation project' or 'closure project' in national terms.

The mine operator can use the liquidation funds for its closure activities with the permission of the competent authority at the end of the mine life, and once the final closure plan is approved by the regulators. If there is progressive remediation or reclamation of the site during operations, the expense is deducted from the liquidation fund at the time the closure cost estimate is updated (every 3 years). If the actual closure cost exceeds the value of the fund, the mining operator must cover the remaining costs.

The financial assurance for closure as well as a payment plan for accumulation of the liquidation fund is to be drawn in the closure plan and revised each time the closure plan is updated.

12.3.3 *Permitting*

Environmental impact assessment and approvals

In accordance with Article 48(1) of the *Environmental Code of the Republic of Kazakhstan* (hereinafter — the Code), an environmental assessment means the process of identifying, studying, describing, and evaluating the possible direct and indirect significant impacts of the planned and implemented activities or the document being developed on the environment. Environmental assessment by its types is organized and conducted in accordance with the Code and the Instruction for the organization and conduct of environmental assessment, approved by the Order of the Minister of Ecology and Natural Resources dated July 30, 2021, No. 280 (hereinafter — the Instruction). The environmental assessment, depending on the subject of the assessment, is carried out in the form of a strategic environmental assessment, an environmental impact assessment (EIA or 'OVOS'), a transboundary impact assessment, and an environmental assessment under a simplified procedure. The EIA is mandatory for the types of activities and facilities listed in Sections 1 and 2 of Annex 1 to the Code. Thus, based on the Annex 1, all underground and open pit mining operations over 25 ha are subject to an EIA.

Environmental approval must be obtained before a project can proceed. In Kazakhstan, an EIA must be undertaken for developments that could significantly impact on the environment. The EIA process and approval timeframe have increased significantly compared to the previous legislation and can take more than 3 years. The EIA process was revised under Articles 64-84 of the Environmental Code. As a result, an EIA process must be initiated at the beginning of project planning and start with screening and scoping, followed by impact assessment.

According to the Article 87 of the Environmental Code, all design documentation for the construction and operation of the facilities of I and II environmental hazard must undergo the state environmental review. This includes inter alia mine plans, closure plans, construction and/or reconstruction plans and other. The procedure is called a 'State Ecological Expertise' or 'SEE' in national terms and takes about 3 months on average (Articles 115, 118, 123 of the Environmental Code). SEE is carried out by the Ministry of Ecology. Normally, SEE is implemented as part of the permitting process under the procedures of issue and/or revision of environmental permits. SEE approval takes the form of a record of decision referred to as a 'positive conclusion of the SEE'. Implementation of projects without a positive conclusion of the SEE is prohibited (Article 90). It eventually leads to an environmental permit. Public consultations must be undertaken to inform the SEE and are organized in accordance with the Rules of public hearings conduct provided in the Order of the Minister of Ecology No. 286 dated 3 August 2021.

Environmental permits

Several environmental permits must be obtained before a mine becomes operational. These include environmental permits, water permits, land use permits and permits for disturbance to forestry or other designated natural resources depending on the environmental setting of the operation. In accordance with the 2021 Environmental Code, it is the sole responsibility of the mine operator to obtain the necessary environmental permits, even if there are contractors implementing mine-related works on site (Article 106). Environmental permits in Kazakhstan are compulsory for hazard category I and II operations. They are issued in the form of an environmental impact permit or a complex environmental permit.

According to Article 418 of the Environmental Code, category I operations commissioned before 1 July 2021 and category II operations must have environmental impact permits, which are issued by the regulatory authority and its local (regional) executive body, respectively. Environmental permits obtained by category I and II operations before 1 July 2021 will remain valid until their stipulated expiration. Should a category I operation opt to change its operational process, it must initiate an environmental assessment process and apply for a complex environmental permit.

From 1 January 2025, all category I enterprises commissioned after 1 July 2021 must obtain a complex environmental permit and include Best Available Technology (BAT) in their operation (Article 111 of new Environmental Code). BAT is introduced to minimize the environmental footprint of operations. A subordinate organization of the regulatory authority will develop a guide on the BAT by 1 July 2023 to support this technological transition. In the meantime, these operations will develop their project designs and operate based on developments of the European Integrated Pollution Prevention and Control Bureau with respect to BAT.

12.3.4 Labor protection and occupational health and safety

Labor protection and health and safety in Kazakhstan are regulated by the Constitution, the Labor Code and the Law on Civil Protection. The Ministry of Labor and Social Protection of the Republic of Kazakhstan is responsible for the enforcement of the Labor Code.

The Constitution and the Labor Code guarantee basic workers' rights, including occupational safety and health, the right to organize and the right to strike. Discrimination based on gender, race, dress, nationality, religion, political opinion, public associations, social class or financial status, and physical shortcomings is prohibited. The Labor Code regulates employment and related matters, including dismissal, and safety in the workplace. The Constitution and Labor Code also prohibit forced and child labor. The minimum age for work is 16 years in most work settings and 18 years for hazardous work.

All mining operation facilities are classified as hazardous industrial objects. According to Article 53 of the 2018 Subsoil Code, it is obligatory to meet the rules and regulations for safe work conduct and take measures that prevent and eliminate accidents. To this end, emergency response and preparedness plans are mandatory for all mining operations.

12.4 Mining rights

According to the Subsoil Code (2017), mining rights, also known as 'subsoil rights,' are granted in the form of subsoil use licences for exploration and mining. A mining licence could take up to 2 years to be granted after an application is submitted. An approved mine plan, a closure plan, an environmental permit, and other supporting documents are required for the application.

The mining rights of the Project are covered by the Subsoil Use Contract No. 4608-TPI and three subsequent addenda. The current owner of the Subsoil Use Contract is Zhetisu Volframy LLP (Zhetisu). Zhetisu operates as a joint venture (JV) company with two participants: Aral-Kegan LLP (AK), holding 97% of the participatory interest, and Ever Trillion International Singapore PTE LTD, holding 3% of the participatory interest. AK has two participants: Jiaxin International Resources Investment Limited S.à.r.l., holding 99.99% of the participatory interest, and Mr. Liu Liqiang, holding 0.01% of the participatory interest.

With the previous contract regime, a document that delineates the tenement covered by the contract is appended to the Subsoil Use Contract. The tenement covers an area of 1.16 km^2 and allows exploitation up to a maximum depth of 300 m below surface. The specific boundaries of the mining licence are given in Table 3.1 and shown in Figure 3.7. The Subsoil Use Contract is valid for 25 years, from 2 June 2015 to 2 June 2040. Table 12.1 sets out the environmental and social conditions in the mining contract.

Table 12.1: Key environmental and social conditions in the Subsoil Use Contract and subsequent addenda

Respective clause in Subsoil Use Contract	Terms and conditions
Section 7.2 of the Subsoil Use Contract	Clause 9-10. Local procurement must be encouraged. Clause 11. During mining operations, local recruitment must be preferred, including contractor and subcontractor companies, and constitute not less than 50% for top management, medium management staff, for educated specialists and for the remainder of the qualified workforce. Clause 12. Local employees must be provided with the same conditions as expatriates including subcontractors.

Respective clause in Subsoil Use Contract	Terms and conditions
	Clause 13. Make annual financing of research and development works by Kazakhstani companies in the amount of 1% of the annual investment. Clause 15. Local procurement must be 16% for goods and 85% for work and services. Clause 21. The Company is obliged to protect archaeological, historical, cultural, and protected objects on the contract territory. Clause 34. The Company is obliged to restore land plots and other natural objects disturbed as a result of mining operations to a condition suitable for further use. Clause 38. Subsoil users are to make annual payments for socio-economic and infrastructure development of the regions in the amount of 1% of the mining expenditure to the budget of the local executive authority. Clause 39. To carry out annual financing of research, scientific and technical and (or) development works, provided by Kazakhstan producers of goods, works and services in the amount of not less than 1% of the total annual income.
Section 16 of the Subsoil Use Contract – Liquidation and liquidation fund	Clause 5-6. A liquidation fund shall be created by the subsoil user to finance the liquidation work. Clause 17.5. Liquidation fund payments are made into a deposit account in a local bank in the amount of 1% of annual mining expenditures.
Section 17 of the Subsoil Use Contract – Subsoil and environmental protection.	The Company must follow the legislation on environmental protection when undertaking the operation.

Respective clause in Subsoil Use Contract	Terms and conditions
Section 18 of the Subsoil Use Contract – Health and Safety of the employees and local community	The Company must ensure the implementation of the rules and regulations for the safe conduct of work, as well as measures to prevent and eliminate accidents and occupational diseases. It is prohibited to develop a deposit if there is a danger to human life and health.

Source: Subsoil Use Contract

12.4.1 *EIAs and approvals*

The Company has conducted EIAs for the Project in accordance with local legislation. Table 12.2 shows the number of EIAs developed and their approvals, and the SEE approvals for the main infrastructure items.

Table 12.2: EIAs and approvals

EIAs	Design institution	Date of issuance	SEE Approval No. and date
Open pit	VNIItsvetmet	2020	KZ49VCZ00645044 dated 10 August 2020
Processing plant . .			No. 01-0336/21 dated 25 June 2021
TSF	ANTAL	2020	No. 18-0008/21 dated 25 January 2021

Source: Jiaxin

12.4.2 Land use approval and surface rights

According to the Subsoil Use Contract, the competent authority is responsible for ensuring the surface rights are secured for the contract territory. SRK has reviewed the surface rights status for the Project based on the documents provided. The Akimat of Yenbekshikazakh district of Almaty region issued Resolution No. 97 dated 19 February 2020, which states that Zhetisu was granted a package of land plots, covering together of 795.6819 ha for temporary use for a period of 10 years. Resolution No. 279 dated 11 April 2019 granted a land plot of 336.1 ha for temporary use for a period of 22 years. Resolution No. 1103 dated 25 December 2018 granted a land plot of 323.1 ha for temporary use for a period of 22 years. The Almaty Region Land Authority also granted a land plot of 117.9 ha for temporary use of 22 years. According to the resolutions, the Company is obliged to follow water as well as sanitary-hygienic and environmental requirements during land use. Table 12.3 shows the land use approval rights obtained by the Company for the mining activities.

Table 12.3: Land use approval rights and their designation

Cadastral number	Area	Land lease term	Duration
	(ha)		*(year)*
03-044-198-162	795.6819	2020.06.10-2030.02.19	10
03-044-198-163			
03-044-198-175			
03-044-198-176			
03-044-198-165	336.1	2019.05.02-2040.04.11	22
03-044-198-167			
03-044-198-168			
03-044-198-169			
03-044-198-170			
03-044-198-171			
03-044-198-172			
03-044-198-173			
03-044-198-174			
03-044-198-166			
03-044-198-177	323.1	2019.04.10-2041.04.10	22
03-044-198-178			
03-044-198-143	117.9	2019.01.17-2040.06.02	22

Source: Jiaxin

12.4.3 Environmental and special water use permits

The Project currently holds the following environmental and water permits:

- Air pollution and waste disposal for the TSF: No. KZ39VCZ00768511 of 22 January 2021 for the period 2021-2026. The approval covers air emissions for the TSF up to 31 December 2026.

- General air pollution and waste disposal: No. KZ49VCZ00973292 of 16 June 2021 for the period 2021-2030; valid until 31 December 2030.

- Air pollution and waste disposal for the Boguty Project area: No. KZ49VCZ00645044 dated 10 August 2020 for the period 2020-2029; valid until 31 December 2029.

- Water withdrawal from the Charyn River: No. KZ17VTE00269837 dated 10 December 2024 for domestic and industrial uses during the period of operation, limited to an estimated consumption volume of 4,293,150 m^3/year, valid until 11 November 2029.

12.5 Stakeholder engagement

The Project is currently in the construction stage. During the design stage, Zhetisu actively engaged with stakeholders through public hearings as part of the EIA process while developing various design documents. On 12 March 2014, public hearings were conducted specifically for the EIA of the Project. Around 40 individuals attended these hearings. The stakeholders raised inquiries regarding employment opportunities, vocational training for the local population, benefits for local residents, and concerns about the potential impact of the Project on the health of the local residents.

Currently, Zhetisu is continuing its engagement as outlined in the memorandum described below. In 2021, a memorandum of cooperation was signed between Zhetisu and the Akimat of Yenbekshikazakh district. According to the memorandum, the Company has the following obligations:

- Adhere to all norms and regulations concerning production process safety and environmental safety.

- Provide employment opportunities for the local population.

- Train local personnel.

- Notify the Akimat within 3 working days of the availability of vacant job positions.

- Procure goods, services and works from local producers.

- Comply with the legislation of the Republic of Kazakhstan regarding social partnership and regulation of social and labor relations.

- Fulfill other obligations of general concern.

Between 2021 and 2022, Zhetisu invested KZT 161M to meet the needs and requirements of the Sogeti rural district and its residents in the following areas:

- Payment of KZT 20M for irrigation water for the district's arable lands.

- Allocation of KZT 10M for the provision of water supply to the school in Nura village.

- Purchase and transfer of four pieces of expensive specialised machinery worth KZT 63M to the agricultural cooperative 'Sogeti.'

- Purchase of expensive agricultural machinery amounting to KZT 68M.

- Provision of cell phones and suitcases for graduates of the school in Nura village.

- Provision of a full set of stationery for first graders at the school in Nura village.

Additionally, the Company annually transfers KZT 149M to the budget of the Almaty region for socio-economic development and infrastructure. In total, KZT 741M has been transferred to the budget of the Almaty region between 2018 and 2023.

12.5.1 Environmental and social obligations

The environmental permits include the following conditions:

- Operate the mine within approved limits for air emissions, effluent and wastewater discharges, and waste disposal.

- Implement in full the approved Environmental Action Plan, which is a part of the permit.

- Report on a quarterly basis to the regulatory authorities on the implementation of the environmental activities and permitted and actual emissions, effluent discharges, and waste disposal.

12.5.2 *Closure liabilities*

The Project has a closure plan known as the 2019 Closure Plan, which was developed by VNIItsvetmet. However, this closure plan and its cost estimate only encompass the mining area, including the open pit, WRDs and auxiliary infrastructure. The processing plant and TSF are not included in this closure plan. The total land area designated for closure is 372.1 ha, with an estimated closure cost of KZT 738M (approximately US$1.6M). The closure plan was updated in 2022 by VNIItsvetmet. The updated closure cost is KZT 901M (approximately US$1.9M).

In 2023, ANTAL developed a closure plan specifically for the processing plant and TSF to fulfill the reporting requirements for Asset Retirement Obligation (ARO) as of the end of the 2023 financial reporting period, following the guidelines of the International Financial Reporting Standards (IFRS). This plan represents the current closure liability, but this can potentially serve as a basis for developing closure plans and costs that accurately represent the closure liabilities at the end of the LOM for the TSF, processing plant, and associated infrastructure.

12.5.3 *Other regulatory requirements*

Other regulatory requirements that may apply to the Project in the future include:

- The requirement to reduce the environmental impact of operations by implementing BAT, starting from 2025. Failure to implement BAT may result in progressive increases in emissions payments. It is necessary to implement BAT when the mining operation commences.

- Special requirements for industrial waste disposal sites, which involve conducting a geochemical characterization of waste rock, installing an impermeable membrane for WRDs, establishing a stormwater collection system, and complying with other provisions outlined in clause 5, Article 238 of the Environmental Code.

- The mandatory implementation of an automated monitoring system for category I operations, effective from 1 January 2023.

- Compliance with closure requirements, including the obligation to provide financial provisions for closure.

12.5.4 *Biodiversity and protected areas*

The Charyn State Nature Park is located near and downstream of the Project area, and the water intake station for the Project and route of the water supply pipeline from the Charyn River pass through the Park's territory (Figure 3.5).

According to the existing legislation, the Charyn State National Park holds the status of a nature protection and scientific institution of national significance, and it falls under the jurisdiction of the Committee of Forestry and Wildlife of the Ministry of Ecology and Natural Resources.

The establishment of the Charyn State National Nature Park was authorized by Resolution No. 213 on 23 February 2004. Initially spanning an area of 93,150 ha, the park aimed to preserve and restore the unique natural complexes of the Almaty region, which hold significant ecological, historical, scientific, aesthetic and recreational value. Subsequently, through Decree No. 121 dated 6 February 2009, the Park's territory was expanded by an additional 32,900 ha, incorporating lands from the state land reserve and lands designated for defense purposes. The total area of the Park currently stands at 127,050 ha.

SRK sighted a letter dated 3 July 2020 from the Almaty Regional Territorial Inspectorate of Forestry and Wildlife which stated that along the pipeline route, there are migration paths and habitats of wild animals, including rare and endangered species of ungulates, as well as locations where rare and endangered plant species grow.

12.5.5 Cultural heritage

An archaeological survey was conducted in August 2020 by a licenced archaeological company. Overall, three cultural heritage sites were identified: one archaeological monument and two cemeteries. Examining the burial methods, the archaeologists concluded that the identified monument belongs to the Iron Age. The other two sites are a 19th century cemetery and a Muslim cemetery of the 17th to 18th centuries.

12.6 Recommendations

The following section summarizes the key recommendations related to the environmental and social aspects of the Project.

12.6.1 Change in legal requirements in Kazakhstan

ESG-related legislation in Kazakhstan is undergoing rapid development and strives to align with international best practices. Updated legal requirements may necessitate additional efforts to ensure compliance, resulting in extra expenses for permitting, management, operations and capital investment. Examples of such changes may include new standards and the need for implementing new control measures such as emissions control, discharge management, water abstraction and treatment, and waste management facilities. Additionally, decarbonisation initiatives, carbon taxes, and other measures may be introduced.

It is recommended that the Company closely monitors changes in legal requirements, proactively adapts to them, and establishes and maintains a compliance obligations register.

12.6.2 *Biodiversity*

Biodiversity, being an important aspect, may reduce project attractiveness if context and impacts are not characterised properly. Habitats in the vicinity of the Project have not been delineated and the biodiversity values of these habitats have not been determined. Monitoring of biodiversity and ecosystems impacts is not a part of the management system. Moreover, the Project is located close to, and the water supply pipeline route is within, a protected area with potentially protected species and migration routes.

For this reason, it is recommended that a biodiversity study be undertaken. Improvement in biodiversity context understanding is required to define potential impacts. As required in the environmental management plan, initiating and carrying out field studies on biodiversity across the Project's footprint and water delivery pipeline route located within the boundaries of the national park should be actioned. Data across all seasons should be collected. A positive approach to biodiversity conservation will be beneficial in terms of future access to financial capital and ESG credentials of the mineral products.

12.6.3 *Closure plan and liability estimate*

The existing closure plans and cost estimates only the mining area, including the open pit, WRDs and auxiliary infrastructure.

In 2023, ANTAL created a closure plan for the processing plant and TSF to meet the reporting obligations for ARO by the end of the 2023 financial reporting period, in accordance with the International Financial Reporting Standards (IFRS) guidelines. This plan reflects the existing liability, and it can potentially be used as a foundation for developing accurate closure plans and costs that represent the closure liabilities at the end of the LOM for the TSF, processing plant, and associated infrastructure.

12.6.4 *Mine waste geochemistry*

Mining activities often carry the risk of acid rock drainage and metal leaching (ARDML). To properly assess the potential for ARDML, appropriate static and kinetic testwork should be conducted. If the static testwork reveals a significant risk, kinetic testing should also be conducted. These tests are typically time-consuming and can become critical in future development studies. Therefore, it is advisable to initiate these studies early on, along with gaining a thorough understanding of the potential pathways through which ARDML could impact the surrounding environment, including soils, surface water and groundwater.

The WRDs at the Project are situated on the northern side of the mountain ridge. In the event of ARDML, potential drainage pathways would lead towards the transboundary Ili River, potentially affecting the quality of soils, surface water and groundwater.

Currently, ARDML characterization of the waste rocks for the Project has not been conducted. A high-level review of the geological and mineralogical data indicates low levels of sulfide materials. However, without understanding the potential for ARDML based on appropriate testwork, it is impossible to accurately assess the impact of waste rocks on soils, surface water and groundwater. These risks and impacts can have long-term consequences and may require additional management measures during both the operation and closure phases.

A review of the available geological, mineralogical and lithological data is recommended as part of developing an ARDML sampling program. Additionally, conducting static ARDML testing is essential to understand the level of risk and determine the need for kinetic ARDML testing and further management measures.

12.6.5 Climate change mitigation

Currently, there is no assessment or mitigation and adaptation strategy in place regarding climate change. The impact of climate change can potentially have significant effects on operations, such as increased temperatures, more frequent and intense extreme weather events, and changes in precipitation patterns. Climate change considerations and reporting requirements are prevalent, including those imposed by stock exchanges like HKEx.

It is imperative to assess the significant climate-related issues that may impact the operation and to develop appropriate adaptation and mitigation measures. These measures should aim to effectively manage the identified issues and, if necessary, integrate them into the Project's operational practices. Taking proactive steps to address climate-related concerns is crucial for the long-term sustainability and resilience of the Project.

12.6.6 Cultural heritage

In connection with the archaeological and cultural monuments noted in Section 12.5.5, it is necessary to instruct workers and management personnel on the protection of historical and cultural monuments during any earthworks. Moreover, it is necessary to control driving along designated routes to prevent damage to unidentified cultural heritage sites.

The identified monuments should be protected by a 50 m buffer zone around their boundaries and should be marked with protective signs or other fences on the line of their boundaries. Installing signs on four sides that indicate the name of the object and the area of its protection zone, is recommended. In addition, it is necessary to prohibit any industrial activity closer than 50 m from the established protection zone.

Furthermore, the Company has not established a formal chance find procedure. In the event of discovering any cultural, historical or archaeological objects/sites, the Company should adhere to the legislation pertaining to cultural and historical heritage, which outlines the necessary actions to be taken. Company personnel should be informed about the requirements of this procedure and follow it diligently if they come across any potential findings related to cultural, historical or archaeological objects/sites.

12.6.7 *Stakeholder engagement*

While Zhetisu engages with stakeholders through public hearings during the development of various design documents as part of the EIA process and under the scope of the memorandum with local authorities, there is currently no formal stakeholder engagement plan for the Project that would identify and organize communication with potentially affected stakeholders. It is important to establish a structured engagement plan that consolidates the ongoing engagement efforts into a formal document. This plan should outline the overall strategy and goals of stakeholder engagement and provide guidance on the actions to be taken. It should also demonstrate how risks and impacts are assessed and mitigated throughout the project's lifecycle. Having a formal stakeholder engagement plan will ensure effective communication and enhance transparency and accountability in addressing stakeholder concerns.

13 STRATEGIC DEVELOPMENT PLAN

The Company aims to establish a vertically integrated processing and refinery facility at its site, expanding beyond tungsten concentrate to produce downstream products, including APT and, tungsten carbide powder (WC). This strategic development will potentially increase profit margins of the Company but also enable the Company to expand its customer base globally. To support this initiative, the Company has prepared a comprehensive business proposal titled 'Proposal on Tungsten Beneficiation and Refining.' The proposal includes research on APT and WC markets and prices, end-use analysis, and a conceptual study on the refinery's location, production capacity, refining technology, and required capital.

The proposed refinery will be constructed in the immediate vicinity of the current processing plant. The existing infrastructure will be upgraded and developed in stages, starting with an initial annual nameplate capacity of 10,000 t of APT and 4,000 t of WC. The primary feedstock for the APT plant will be tungsten concentrate from the Project. The construction of the refinery is estimated to take 2 years, with commissioning scheduled for year 3. By year 4, the target annual production rate of 10,000 t of APT will be achieved. From year 5 onwards, a portion of the APT produced will undergo further processing to yield an annual output of 4,000 t of WC.

The Company plans to conduct a feasibility study over the next 2 years to investigate the technical and economic viability of the proposed refinery. This study will provide a comprehensive assessment of the Project's potential, confirming its feasibility and forming the basis for its successful implementation. A memorandum on the construction of a refinery for the Project has been signed with the local government, showing the support of the Company's strategic development plan at national level. Kazakhstan also has numerous tax incentives and exemptions related to investment in the refinery.

14 CONCLUSION

Jiaxin is currently developing the Boguty Tungsten Project, which is located 180 km east of Almaty, the largest city of Kazakhstan, and 160 km west of the Chinese border. The Project is covered by a mining licence, measuring an area of 1.16 km^2, which is valid from 2 June 2015 to 2 June 2040 (a duration of 25 years).

Located in the southern part of the Boguty Syncline, the geology of the Project area is represented by Palaeozoic sandstone, siltstone and shale. The folded sedimentary succession is cut by granitic rocks along a series of north-trending rocks. The mineralisation primarily consists of quartz-scheelite veins occurring as stockworks and veinlets, ranging in size from a few to tens of centimetres. Disseminated scheelite veins or blebs also occur in the surrounding sediments. The known mineralisation extends over a length of approximately 2 km to the northeast and has a lateral extent of 400 m towards the east. The mineralisation dips subvertically to the northwest to a depth of at least 500 m.

Exploration to date has defined Mineral Resources in accordance with the JORC Code (2012) including 97.6 Mt of Indicated Mineral Resource at an average grade of 0.210% WO_3, equivalent to 204.5 kt of contained WO_3, and 11.9 Mt of Inferred Mineral Resource at 0.228% WO_3, equivalent to 27.1 kt contained WO_3.

The Project is designed as an open pit mine, consisting of conventional drill, blast, load and haul with a planned ore feed of 4.95 Mtpa ore. Pre-stripping and mining operations are carried out by a contractor. Mining operations commenced in late October 2024. The Project currently hosts Probable Ore Reserves in accordance with JORC Code guidelines — 68.4 Mt of ore with an average grade of 0.206% WO_3, equivalent to 140.8 kt contained WO_3.

The scheelite ore will be processed by a two-stage crushing — ore sorting — tertiary crushing — grinding circuit, along with a flotation concentrator using a single-stage rougher, three-stage scavenger, and three-stage cleaner process. The final product is expected to comprise a scheelite concentrate containing 65% WO_3. Trial production commenced in November 2024 and commercial production commenced in April 2025. The processing plant will be developed in two phases. In Phase I, the flowsheet does not include the ore sorting circuit and has a tungsten recovery of 83% (75% in H2 2025). In Phase II, the addition of ore sorting will enhance the pre-concentration of crushed ore from 15,000 tdp to 10,000 tpd, with a 33.33% waste rejection. The overall tungsten recovery is forecast at 78.85%. Pre-concentration by ore sorting will start in 2027 and enhance the Project's overall economic return by reducing the grinding cost.

The key infrastructure of the Project includes roads, water and power supplies and an accommodation camp. The Project is connected to the major A2 highway via graded sands and gravel road for a few kilometres. The power is connected to the grid via a new 7 km-long overhead line. The water is sourced from the Charyn River, located approximately 22 km southeast of the Project.

The TSF covers an area of approximately 3.5 km^2 with a designed storage capacity of 39.2 Mm^3, which provides sufficient tailings storage capacity over the LOM. The TSF is developed in three stages: the Phase 1 embankment (1,143 m) will be raised to 1,152 m in Phase 2 and 1,157 m in Phase 3.

The Project's capital cost has been incurred since 2020. From CY2020 to H1 CY2025, a total of RMB1,712.0 million has been incurred. The budgeted amounts for H2 CY2025 and CY2026 are RMB315.5 million and RMB309.3 million, respectively. The total capital cost, including both incurred and forecast capital cost for the initial development of the Project, amounts to RMB2,236.3 million. The TSF raising is planned for Phase 2 and Phase 3 in 2026 and 2034, respectively, at a total cost of RMB466.0 million. The total cost for the initial development, subsequent raising of the TSF and mine closure amounts to RMB2,719.3 million.

In H2 CY2025, the projected total operating cash cost is RMB331.0 million, with a cost of 200 RMB/t ore and 91,000 RMB/t concentrate. By CY2027, as the Project reaches its target production rate of 4.95 Mtpa and the ore sorting system for the Phase II development is installed, the total operating cash cost is expected to increase to RMB606.1 million, but the operating cash unit cost is projected to decrease significantly to 122 RMB/t ore and 44,400 RMB/t concentrate.

There are no identified significant environmental and social issues that would potentially disrupt the mining and processing operation.

Jiaxin has achieved a number of commissioning targets to date. The installation of processing plant equipment was completed in the second half of CY2024. In November CY2024, a trial production phase commenced and fine-tuning of the processing operation was undertaken. Phase 1 commercial production commenced in April 2025, with an annual throughput target of 3.3 Mt of ore. In the second half of CY2026, the processing throughput will increase as a result of integrating the ore sorting system. From the first quarter of CY2027, the plant will enter Phase II commercial production, targeting a processing throughput of 4.95 Mtpa of ore.

SRK has conducted a detailed review of the Project's key technical aspects, including the Preliminary Design by ENFI, technical studies, the latest construction and trial production reports, and the Company's actual and forecast capital costs, as well as target latest commission dates for each production phase.

In SRK's opinion, the Preliminary Design by ENFI and other technical studies are reasonable and adequate, and provide a solid foundation for the Project's construction and development.

The Company has developed comprehensive plans to meet commissioning targets and address challenges encountered during the initial phase of production. These plans include implementing a strategic mining approach and optimizing the processing flowsheet by using an ambient-temperature cleaning process. Phase I commercial production commenced in April 2025. Plans are in place for Phase II commercial production in early 2027. The production schedule for each development phase is considered reasonable.

Overall, SRK finds the Project technically and economically viable, with plans reflecting a balanced and well-considered approach. In addition, SRK considers the identified risks have been properly managed.

15 RISK ASSESSMENT

This section presents risks that were identified and described in the preceding sections.

Risks have been classified from major to minor, defined as follows:

- **Major risk**: The factor poses an immediate danger of a failure which, if uncorrected, will have a material effect (>15% to 20%) on the project cashflow and performance and could potentially lead to project failure.

- **Moderate risk**: The factor, if uncorrected, could have a significant effect (10% to 15-20%) on the project cashflow and performance unless mitigated by some corrective action.

- **Minor risk**: The factor, if uncorrected, will have little or no effect (<10%) on project cashflow and performance.

In addition to the risk factor, the likelihood of risk must also be considered. Likelihood of occurrence within a 7-year timeframe can be considered as:

- likely: will probably occur.

- possible: may occur.

- unlikely: unlikely to occur.

Table 15.1: Risk assessment matrix

	Consequence		
Likelihood	**Minor**	**Moderate**	**Major**
Likely	Medium	High	High
Possible	Low	Medium	High
Unlikely	Low	Low	Medium

The results of the risk assessment rating are presented in Table 15.2. The rating of the risks is presented before implementation of control recommendations.

Table 15.2: Project risk assessment

Risk	Description	Control Recommendations	Likelihood	Consequence	Rating
		Mineral resource			
Lower ore grade	Lower ore grade than estimated in the resource model.	Impose a systematic grade control protocol. Reconcile the grades obtained from in-pit sampling and production figures with the grade in the resource model.	Possible	Moderate	Medium
		Mining			
Production plan	The stripping ratio is high in the early stage and it may be challenging to meet ore production targets.	Ensure that contractor can fulfill the obligations to meet the production plan and resolve issues that could cause production delays.	Unlikely	Moderate	Low
Stockpile management . .	Inadequate space for ore stockpile.	A backup stockpile plan should be developed if the stockpile is full.	Unlikely	Minor	Low
Equipment shortage	Insufficient quantity of production equipment as a result of unstable total material movement.	Ensure that the amount of equipment that contractors provide is flexible and can meet the production plan.	Possible	Minor	Low
		Processing			
Unable to achieve the designed performance of ore sorting, resulting in an over-estimate in ore processing capacity and tungsten concentrate yield	Ore sorting facility is designed with waste reject rate of 33.33% and metal loss of less than 7.1%. With ore sorting, the processing capacity can increase from 10 ktpd to 15 ktpd. Laboratory tests could achieve the designed performance, but the sample grades vary, indicating uncertainty on the actual reject rate and metal loss percentage.	Carry out industrial-scale test on ore sorting after completion of Phase I construction.	Possible	Moderate	Medium
Impact of return water on tungsten recovery	Return water contains large amount of sodium silicate, potential flocculants and other unavoidable ions which could have a negative impact on scheelite recovery.	Continually monitor the effect of return water on processing indices during actual production. Carry out treatment on return water when necessary.	Unlikely	Moderate	Low

Risk	Description	Control Recommendations	Likelihood	Consequence	Rating
		Infrastructure			
Damage to pipeline from Charyn River, and subsequent effect on supply of processing water to the plant. . . .	The planned extraction of make-up water from the Charyn River is a risk should the pipeline become damaged.	Adequate design and construction of the pipeline. Monitoring and maintenance of the pipeline.	Possible	Minor	Low
		TSF			
Reduction of available water in Charyn River, and subsequent effect on supply of processing water to the plant. . . .	The planned extraction of make-up water from the Charyn River is a risk should this resource become limited.	Conduct climate change assessment for the Project to identify the associated risks to water supply and maximize water recycling and re-use.	Unlikely	Moderate	Low
Lack of TSF underdrainage in the design will lock up a portion of return water	A proportion of the return water will be locked up in deposited tailings.	Install underdrainage or an alternative means of returning this water to the Plant (e.g. well point system).	Possible	Minor	Low
		Cost			
Higher operating cost . . .	Higher operating cost, resulting in poor financial performance	Secure a long-term contract at a favorable exchange rate with suppliers and confirm advanced procurement orders with them.	Possible	Moderate	Medium
Lower commodity price .	A decline in commodity price, leading to poor financial results.	Regularly monitor commodity price trends, market forecasts, and industry developments to proactively identify potential risks and opportunities. Develop contingency plans and scenario analyses to assess the financial impact of different price scenarios and adjust strategies accordingly.	Possible	Moderate	Medium

Risk	Description	Control Recommendations	Likelihood	Consequence	Rating
		Environment and Social			
Changes in Charyn River flow and/or legal permitting regime may result in risk of limitation of water availability	Changes in Charyn River flow or permitting regime of the National Park may result in risk of limitation of water available for abstraction from the river for processing purposes.	Conduct climate change assessment for the Project to identify the associated risks to water supply and maximize water recycling and re-use.	Unlikely	Moderate	Low
Insufficient understanding of surrounding land use types that may result in additional risks and impacts	The detailed surrounding land use mapping has not yet been completed for the Project. Doing so is necessary as it furthers the understanding of how the land use can be affected by mining and processing operations and informs the potential post-closure land use options.	Carry out a land use study to understand any potential risks and impact and extend the existing fencing around the Project area to prevent any grazing cattle from accessing the area and its facilities.	Possible	Minor	Low
Lack of understanding of biodiversity of the Project area resulting in potential loss of biodiversity	Risk of net biodiversity loss due to lack of understanding of biodiversity context and management measures. The Project is located close to a water abstraction point and a supply pipeline route is within an area that may have protected species and migration routes.	As required in the environmental management plan, initiate and regularly carry out the field studies on biodiversity for the Project footprint and water intake and supply pipeline route located within the boundaries of the national park. Develop appropriate mitigation measures to mitigate identified risks.	Possible	Minor	Low

Risk	Description	Control Recommendations	Likelihood	Consequence	Rating
Lack of understanding of mine waste geochemistry (acid rock drainage and metal leaching (ARDML) properties), resulting in additional expenditure for management to prevent pollution	Potential for ARDML of mine waste materials has not been studied. There is risk of pollution of soils downstream of mine waste facilities, groundwater and surface waters.	Carry out a geochemical study to assess risks related to ARDML and develop mitigation measures if required. Additional WRD drainage water collection and treatment facilities may be required if ARDML potential is identified.	Possible	Minor	Low
Incomplete closure plan and liabilities estimate resulting in underestimation of technical and financial implication of Project closure	Existing LOM closure plans and liability estimates only include mining area (open pit, WRDs, auxiliary infrastructure), and the closure plan for the processing plant and TSF only reflects the current liability.	Develop and regularly update a comprehensive closure plan and associated cost estimate, covering the entire mine footprint, including the mining area, processing plant, TSF, and auxiliary infrastructure.	Possible	Moderate	Medium
Lack of understating of potential climate changes of the Project area resulting in additional mitigation and adaptation requirements	Effects of climate change may impact the performance of operation. For example, there is currently no climate change-related assessment and management strategy for the Project.	Assess climate change-related significant issues which may impact the operation (see water abstraction). Develop adaptation and mitigation measures to manage the issues, and integrate into project operation practices if required.	Unlikely	Moderate	Low
Insufficient stakeholder engagement resulting in unanticipated stakeholder concerns . .	There is no stakeholder engagement plan for Project that would identify and structure communication with potentially affected stakeholders.	Develop and implement a stakeholder engagement plan to identify all relevant stakeholders, and define means and frequency of communication to strengthen the engagement.	Unlikely	Minor	Low

Risk	Description	Control Recommendations	Likelihood	Consequence	Rating
Non-renewal of licence . .	Operating licence and other key licences are not renewed by the government authorities	Assess the compliance status of all key licences and identify any potential areas of non-compliance. Take prompt action to rectify any deficiencies or violations, ensuring strict adherence to ESG standards.	Unlikely	Major	Medium
Export restrictions	Kazakhstan government imposing tungsten concentrate export restrictions.	Consider establishing local downstream processing facilities to add value to the tungsten concentrate within Kazakhstan. By processing the concentrate domestically, mining companies can potentially bypass export restrictions and access higher-value markets for processed tungsten products.	Unlikely	Major	Medium
Delay in commencement of production	Construction delay or other issues identified during trial production result in the delay of commercial production.	Implement robust project management practices to ensure timely completion of construction activities and successful trial production.	Possible	Moderate	Medium

Source: SRK

CLOSURE

This report was prepared by

(Gavin) Heung Ngai Chan
Principal Consultant

and reviewed by

Jeames McKibben
Principal Consultant

All data used as source material plus the text, tables, figures, and attachments of this prospectus have been reviewed and prepared in accordance with generally accepted professional engineering and environmental practices.

REFERENCES

ANTAL (2020). Design on the Phase I construction of tailings storage facility for Boguty processing plant.

BD (2015). JORC Report: Boguty Tungsten Deposit, Chilik District, Almaty Province, Republic of Kazakhstan.

ENFI (2019). Feasibility study on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in the first 2 years).

ENFI (2020). Preliminary design on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in the first 2 years).

Frost & Sullivan (2025). Independent Market Research for Global, China's and Kazakhstan's Tungsten Industry.

GKZ (1974). Exploration Report and Mineral Resource Estimation on the Boguty Tungsten Mine, Almaty State.

GNMRI (2023). Report on the ore sorting testwork on the Boguty tungsten mine.

Hollister (2019). Report on the ore sorting testwork on a scheelite mine in Kazakhstan.

HPY (2019). Report on the ore sorting testwork on a scheelite mine in Kazakhstan.

HRI (2015). Report on the metallurgy testwork and technical development research on the Boguty tungsten mine, Kazakhstan.

HRI (2017). Feasibility study on the Boguty tungsten mine, Kazakhstan with 10,000 tpd mining capacity.

SRK (2023). Hydro-geotechnical Pre-feasibility study for Boguty Tungsten Project.

Wang, X., Cai, K., Sun, M., Zhao, G., Xiao, W., & Xia, X. (2020). Evolution of late Paleozoic magmatic arc in the Yili Block, NW China: Implications for oroclinal bending in the western Central Asian Orogenic Belt. Tectonics, 39, e2019TC005822. https://doi.org/10.1029/2019TC005822.

Windley, B.F., Alexeiev, D., Xiao, W., Kröner, A. and Badarch, G. (2007). Tectonic models for accretion of the Central Asian Orogenic Belt. Journal of the Geological Society, 164.

APPENDIX A LIST OF TRENCHES

Trench ID	X	Y	Z	Azimuth	Dip	Length *(m)*
K10	14335468.6	4824106.8	1532.135	125.38	18.09	92.19
K10a	14335573.8	4824034.473	1579.62	121.21	35.47	152.64
K10b	14335692.3	4823978	1543.613	104.16	-28.7	40.8
K11	14335639.76	4824056.3	1574.06	127.59	-27	153.76
K12	14335361.2	4824288.6	1621.273	120.66	-31.4	168.34
K12a	14335512	4824196.813	1550.262	122.38	4.87	16.67
K12b	14335542.06	4824177.755	1564.323	122.38	30.96	529.64
K13	14335651.55	4824165.5	1590.863	124.48	-35.9	216.74
K14	14335574.73	4824281.86	1576.416	125.1	-27.1	80.68
K14+15m	14335741.75	4824187	1566.359	117.37	25.36	84.48
K14a	14335635.42	4824235.6	1595	120.82	0	9.64
K14b	14335638.01	4824222.66	1596.645	124.26	-16.1	118.42
K14c	14335728.1	4824177.2	1561.232	121.81	14.46	157.45
K15	14335647	4824289.2	1600	122.02	0	285.52
K15a	14335893.68	4824114.69	1554.076	1.63	16.1	41.06
K16	14335659.2	4824337.6	1617.022	122.12	-14.9	231.08
K16a	14335863.44	4824211.217	1563.186	123.15	-2.33	182.24
K16b	14336019.34	4824114.263	1579.205	122.46	13.88	51.09
K17	14335683.8	4824380.6	1635.495	121.7	-27.1	248.16
K17a	14335899.49	4824247.521	1573.846	117.2	35.29	178.71
K18	14335779.8	4824380	1607.652	117.07	8.17	154.84
K18a	14335905.92	4824297.61	1575	118.94	0	54.37
K18b	14335954.76	4824269.02	1605	121.47	0	275.91
K19	14335882.8	4824369.2	1614.033	112.04	-28.2	77.95
K19a	14335949.94	4824329.236	1593.01	123.72	-5.18	17.3
K19b	14335966.09	4824319.568	1590	119.67	22.53	137.89
K20	14335944.1	4824392.63	1622.989	112.54	-32.9	50.35
K20+25m	14335962.32	4824413.288	1623.196	121.02	-36.7	41.68
K20+25ma	14336006.68	4824385.784	1601.828	123.68	18.99	51.82
K20a	14335990.3	4824364.7	1600	121.55	0	471.96
K21	14335959.8	4824443.6	1625.066	120.92	-26.4	44.65
K21+25m	14336007.63	4824443.31	1609.096	120.67	4.69	42.52
K21a	14336010.45	4824412.8	1605	124.21	0	26.37
K21b	14336031	4824397	1608.405	124.38	18.47	30.08
K21c	14336056.62	4824384.116	1615	120.4	0	150.8
K22	14335987	4824485.4	1615	120.96	0	89.82
K22a	14336055.3	4824432.58	1615	116.82	0	32.68
K22b	14336081.4	4824425.8	1624.285	120.04	22.47	138.22
K23	14335982.8	4824552.8	1628.611	122.68	11.11	321.51
K24	14335889.6	4824664	1664.057	121.35	3.84	57.03

Trench ID	X	Y	Z	Azimuth	Dip	Length
						(m)
K24+25m	14336034.68	4824603.505	1641.258	124.19	18.61	77.55
K24a	14335971.31	4824614.223	1635	121.35	-15.9	8.62
K24b	14335987.2	4824603.3	1635	121.56	0	181.61
K24c	14336141.6	4824522.81	1650.684	128.69	-9.28	13.83
K24d	14336148.36	4824503.388	1650.624	121.79	32.6	267.98
K25	14335959.65	4824679.98	1665.282	120.14	-6.66	146.22
K25+25m	14336139.36	4824604.556	1663.859	153.43	3.6	72.18
K25a	14336079.8	4824594	1650.386	108.02	8.77	105.83
K25b	14336171.59	4824549.3	1660	122.37	0	342.92
K26	14336111.8	4824643.8	1671.026	121.76	-24.2	176.42
K26+25m	14336154.71	4824652.95	1678.489	123.49	-6.15	185.98
K26+25ma	14336357.19	4824519.125	1681.323	123.22	-19.3	93.68
K26a	14336274.72	4824544.7	1671.888	119.61	16.55	198.39
K26b	14336278.25	4824537.1	1674.686	272.07	-8.5	43.04
K27	14336157.2	4824679.4	1693.831	121.19	-14.3	457.97
K27+25m	14336469.23	4824513.97	1657.546	126.46	26.77	29.97
K27a	14336368.47	4824569.803	1680	96.62	0	50.58
K28	14336167	4824729.6	1703.416	120.89	-7.75	12
K28+25m	14336224.16	4824729.525	1695.694	138.5	12.39	41.1
K28a	14336183.63	4824719.654	1702.582	120.89	5.88	68.1
K28b	14336247.31	4824680.392	1697.897	121.9	-21.5	229.65
K28c	14336445.11	4824559.763	1668.363	127.04	-21.9	39.41
K28d	14336488.5	4824524.3	1659.956	124.38	19.53	86.1
K28e	14336556.62	4824488.38	1684.387	122.23	-13.3	71.8
K28f	14336619.1	4824450.92	1683.08	120.21	-23.3	41.71
K28g	14336666.12	4824422.565	1670	123.96	23.45	68.46
K28h	14336724.28	4824383.539	1670	122.49	0	22.93
K29	14336194.8	4824771.2	1686.441	121.67	-7.35	532.36
K30	14336265.5	4824783.6	1681.469	121.75	14.28	291.28
K30a	14336489.1	4824642.5	1677.637	119.56	-32.3	57.96
K30b	14336533.3	4824617.6	1675.672	124.2	20.76	302.14
K31	14336246.31	4824858.41	1661.198	120.99	13.54	262.74
K31a	14336448.5	4824722	1717.021	120.53	-30.3	56.87
K31b	14336495.9	4824705.728	1691.638	122.05	-11.5	301.94
K31c	14336862.72	4824475.95	1716.857	123.7	-10.5	95.89
K32	14336169	4824963	1638.443	121.68	12.13	759.94
K32a	14336795.69	4824575.209	1709.748	120.25	-14.5	275.76
K32b	14337037.46	4824426.616	1698.383	118.49	14.24	43.18
K33	14336316.71	4824926.63	1683.739	122.47	-1.86	486.86
K33a	14336917.49	4824555.4	1734.15	120.54	-19.6	86.97
K34	14336416.58	4824927.05	1712.27	122.18	26.83	445.1
K35	14336516.62	4824926.1	1718.693	122.35	5.47	283.58

Trench ID	X	Y	Z	Azimuth	Dip	Length
						(m)
K35a	14336320.68	4825047.54	1674.959	121.03	20.88	99.47
K36	14336449.83	4825027.08	1709.282	122.4	-8.62	445.58
K37	14336565.3	4825024.16	1713.476	127.93	-31.7	270.73
K38	14336604.48	4825051.1	1680.914	119.53	-30.1	331.08
K39	14336639.94	4825085.112	1654.909	122.2	-16	205.21
K39a	14336902.45	4824933.25	1758.584	104.34	29.29	141.97
K4	14335494.57	4823735.78	1494.532	125.58	31.87	111
K42	14336796.4	4825167.52	1659.72	121.84	22.85	238
K43	14336907.56	4825160.91	1683.506	124.85	27.5	158.53
K44	14336624.71	4825385.61	1607.513	119.51	33.39	400
K44a	14336955.4	4825185.81	1680.334	122.35	40.74	158.25
K44b	14337083.46	4825109.58	1680.213	124.68	0.95	83.98
K44c	14337168.78	4825049.044	1670	121.55	47.4	26.49
K46	14336960.5	4825304	1656.159	122.83	18.61	151.18
K48	14336898.5	4825452.5	1629.178	124.43	16.74	96.47
K48a	14336985	4825398.683	1601.615	121.35	20.44	193.65
K5	14335520.75	4823764.49	1510.217	130.19	28.1	63.1
K50	14337019.09	4825499.513	1583.066	121.91	23.77	48.58
K50a	14337079.4	4825461.883	1592.089	121.96	23.76	62.41
K52	14336980.85	4825645.04	1603.653	121.4	26.68	252.7
K6	14335503	4823831.53	1501.846	122.88	24.61	189.53
K7	14335589.5	4823862.5	1563.381	133.17	27.5	92.8
K8	14335307.89	4824081.996	1584.857	118.45	-24.4	61.04
K8a	14335366.19	4824050.406	1561	118.45	5.28	155.15
K8b	14335588.59	4823906.59	1566.216	121.38	8.6	163.22
K9	14335625.19	4823944.88	1574.15	126.65	-38.3	105.19

APPENDIX B LIST OF CROSS-CUTS IN ADITS

Cross-cut ID	X	Y	Z	Azimuth	Dip	Length *(m)*
517C3_N	14335966.68	4824215.001	1566.1	297.96	0	11
517HB_N	14335968.45	4824213.634	1566.02	125.63	0	10
518C3_N	14335987.78	4824252.462	1566.95	300.25	0	120
518C3_S	14335986.49	4824250.221	1566.95	300.34	0	120
518HB_N	14335991.09	4824251.648	1566.01	116.66	0	53.5
519C3_N	14336013.09	4824296.377	1566.3	303.83	0	10
519HB_N	14336015.67	4824294.529	1567.089	121.22	0	9
520C3_N	14336038.15	4824338.071	1567.36	299.54	0	127
520HB_N	14336039.78	4824337.464	1566.67	120.25	0	100
521C3_N	14336063.46	4824381.845	1566.99	299.26	0	126
521C3_S	14336062.06	4824379.174	1566.99	299.65	0	126
521HB_N	14336065.37	4824380.71	1566.935	117	0	10
522C3_N	14336088.11	4824423.553	1567.49	308.94	0	141.5
522C3_S	14336086.63	4824421.963	1567.49	308.92	0	141.5
522HB_N	14336089.71	4824422.819	1567.29	120.84	0	57
523C3_N	14336113.98	4824468.456	1568.6	302.78	0	162
523C3_S	14336112.53	4824465.985	1568.6	302.46	0	162
523HB_N	14336115.94	4824466.913	1567.516	117.75	0	10.7
524C3_N	14336139.47	4824513.233	1568.64	300.35	0	198.8
524C3_S	14336138.2	4824511.121	1568.64	300.42	0	198.8
524C3a_S	14336064.47	4824554.774	1568.64	269.46	0	18
524HB_N	14336141.85	4824511.354	1568.39	120.92	0	180.8
524HB_S	14336140.1	4824508.781	1568.39	120.53	0	180.8
525C3_N	14336180.52	4824537.144	1568.59	309.13	0	11.9
525HB_N	14336185.76	4824535.449	1568.52	114.96	0	16
526C3_N	14336245.94	4824566.497	1569.79	300.76	0	162
526C3_S	14336242.58	4824564.713	1569.79	300.83	0	160
526HB_N	14336250.54	4824565.046	1569.39	123.53	0	191.8
526HB_S	14336247.12	4824563.535	1569.39	123.32	0	193.8
526HBa_N	14336286.45	4824548.218	1567.979	105.61	0	40
526HBa_S	14336303.13	4824539.653	1567.979	103.01	0	22
526HBb_N	14336312.39	4824528.339	1567.979	107.32	0	46
527C3_N	14336300.34	4824590.503	1568.331	301.45	0	93.5
527C3_S	14336282.63	4824597.972	1568.331	301.81	0	74.5
527HB_N	14336303.66	4824589.084	1568.59	120.73	0	116.1
527HB_S	14336300.6	4824588.261	1568.59	121.05	0	118.1
528C3_N	14336354.63	4824614.913	1568.79	300.54	0	136.5
528C3_S	14336353.13	4824612.473	1568.79	300.76	0	136.5
528HB_N	14336356.74	4824614.538	1568.5	116.86	0	211
528HB_S	14336354.57	4824611.052	1568.5	117.19	0	211

Cross-cut ID	X	Y	Z	Azimuth	Dip	Length
						(m)
528HBa_N	14336443.07	4824555.168	1568.5	82.76	0	16
529C3_N	14336408.19	4824640.163	1568.6	307.9	0	10.8
529C3_S	14336406.71	4824637.995	1568.6	308.13	0	10.8
529HB_N	14336411.35	4824640.663	1568.61	124.24	0	25.7
529HB_S	14336409.62	4824638.946	1568.61	124.91	0	25.7
530C3_N	14336467.61	4824667.801	1570.08	300.76	0	130.7
530C3_S	14336466.29	4824665.809	1570.08	300.74	0	130.7
530C3a_N	14336367.24	4824721.905	1570.08	255.52	0	4
530HB_N	14336465.77	4824666.801	1570.25	121.68	0	173.5
530HB_S	14336463.66	4824663.327	1570.25	121.3	0	173.5
530HBa_N	14336554.13	4824612.059	1570.25	96.9	0	13
531C3_N	14336518.49	4824691.346	1568.6	304.08	0	44.6
531C3_S	14336517.52	4824689.842	1568.6	303.54	0	44.6
531HB_N	14336519.29	4824689.7	1569.4	114.73	0	21.5
531HB_S	14336518.38	4824686.981	1569.4	113.07	0	21.5
532C3_N	14336571.29	4824715.592	1570.55	302.38	0	223.5
532C3_S	14336569.87	4824713.651	1570.55	302.45	0	223.5
532C3a_N	14336485.18	4824764.797	1570.55	249.57	0	13
532HB_N	14336576.4	4824717.95	1569.95	121.97	0	129.5
532HB_S	14336574.56	4824714.961	1569.95	121.41	0	129.5
534C3_N	14336628.83	4824802.229	1570.31	302	0	125.3
534C3_S	14336627.45	4824800.025	1570.31	302	0	125.3
534HB_N	14336629.18	4824802.236	1570.31	121.57	0	74.3
534HB_S	14336627.28	4824799.126	1570.31	121.17	0	74.3
536C3_N	14336666.08	4824894.87	1571.31	300.87	0	115
536C3_S	14336664.6	4824892.151	1571.31	300.97	0	115
536HB_N	14336667.72	4824893.248	1571.06	121.77	0	71.8
536HB_S	14336665.82	4824890.189	1571.06	121.45	0	71.8
538C3_N	14336700.98	4824989.564	1572.34	301.32	0	107.5
538C3_S	14336699.27	4824986.796	1572.34	301.67	0	107.5
538HB_N	14336701.42	4824988.026	1572.01	120.37	0	89
538HB_S	14336700.09	4824986.11	1572.01	120.01	0	89
540C3_N	14336737.55	4825084.984	1572.73	293.75	0	6.5
540HB_N	14336741.69	4825083.774	1572.73	128.32	0	6
5MA16-17_W	14335940.82	4824170.769	1565.49	30.15	0	8
5MA17-18_E	14335973.31	4824221.156	1566.003	31.41	0	9
5MA18-19_W	14336008.67	4824286.472	1566.215	31.49	0	10
5MA20-27_W	14336041.39	4824342.129	1566.473	29.48	0	384
5MA28-29_W	14336376.81	4824625.321	1568.594	64	0	10.8
624C3_N	14336285.44	4824423.432	1626.86	301.6	0	327
624C3_S	14336283.39	4824421.152	1626.86	301.7	0	327
624C3a_N	14336183.14	4824481.781	1626.2	250.2	0	14.2

Cross-cut ID	X	Y	Z	Azimuth	Dip	Length
						(m)
624C3b_N	14336108.71	4824529.055	1626.2	270.1	0	19.7
624HB_N	14336288.51	4824421.339	1625.85	125.2	0	9.5
624HB_S	14336287.08	4824419.052	1625.85	123.4	0	9.5
625.5C3_N	14336276.36	4824528.083	1625.91	274.4	0	8
625C3_N	14336281.46	4824484.523	1626.62	301.1	0	244
625C3_S	14336280.24	4824481.853	1626.62	301.2	0	244
625C3a_N	14336172.68	4824546.75	1626.62	242.3	0	16
626C3_N	14336276.18	4824545.893	1626.61	300.6	0	190
626C3_S	14336274.05	4824542.25	1626.61	301.1	0	190
626C3a_N	14336182.13	4824597.322	1626.61	255.3	0	15
626HB_N	14336280.81	4824543.425	1626.15	122.1	0	75
626HB_S	14336279.62	4824541.49	1626.15	122.2	0	75
627C3_N	14336326.53	4824573.98	1626.51	307.3	0	167.5
627C3_S	14336325.38	4824571.106	1626.51	307.4	0	167.5
627C3a_N	14336212.5	4824637.292	1626.51	258.2	0	15
627HB_N	14336328.71	4824573.155	1626.88	121.9	0	130.5
627HB_S	14336327.34	4824570.342	1626.88	121.5	0	130.5
628C3_N	14336373.06	4824600.235	1627.04	301.3	0	161.5
628C3_S	14336369.94	4824596.74	1627.04	301.6	0	161.5
628HB_N	14336377	4824602.61	1626.72	120.5	0	120
628HB_S	14336374.96	4824599.367	1626.72	120.5	0	120
629C3_N	14336424.18	4824632.022	1627.41	296.6	0	80
629C3_S	14336422.93	4824629.592	1627.41	298	0	80
629HB_N	14336430.42	4824633.619	1626.91	123.5	0	140.3
629HB_S	14336428.15	4824630.376	1626.91	122.7	0	140.3
630C3_N	14336470.17	4824659.878	1627.04	302.3	0	60
630C3_S	14336468.86	4824657.748	1627.04	302.2	0	60
630HB_N	14336477.11	4824658.951	1627.09	120.7	0	140
630HB_S	14336475.64	4824656.497	1627.09	120.7	0	140
631C3_N	14336522.16	4824690.132	1628.6	302.8	0	65
631C3_S	14336519.98	4824687.021	1628.6	304.3	0	65
631HB_N	14336525.16	4824688.688	1629.6	120.5	0	104
631HB_S	14336519.96	4824687.708	1629.6	119.6	0	108
632C3_N	14336566.61	4824714.492	1627.23	301.9	0	90
632C3_S	14336565.04	4824712.029	1627.23	302.1	0	90
632HB_N	14336572.34	4824715.371	1627.23	122.2	0	65.5
632HB_S	14336570.72	4824712.778	1627.23	121.8	0	65.5
634C3_N	14336627.78	4824795.677	1627.31	300.4	0	102
634C3_S	14336625	4824794.898	1627.31	300.1	0	100
634HB_N	14336628.38	4824797.014	1627.95	122.3	0	71.5
634HB_S	14336626.52	4824792.566	1627.95	121.9	0	71.5
636C3_N	14336683.9	4824881.35	1628.6	302.5	0	84.8

Cross-cut ID	X	Y	Z	Azimuth	Dip	Length (m)
636HB_N	14336687.48	4824880.686	1627.91	122.5	0	83.6
6MA25-26_E	14336281.07	4824496.085	1625.8	355.62	0	42
6MA25-26_W	14336277.61	4824495.79	1625.802	355.61	0	42
704C3_N	14335554.02	4823696.411	1444.5	309.76	0	16
704C3_S	14335548.15	4823692.364	1444.12	348	0	6
704HB_N	14335554.77	4823696.998	1444.45	128.44	0	11
706C3_N	14335589.69	4823790.14	1444.4	301.63	0	42
706C3_S	14335585.42	4823786.061	1444.4	300.77	0	42
706HB_N	14335592.25	4823792.429	1444.34	121.64	0	56.6
708C3_N	14335628.5	4823884.88	1445.1	296.34	0	56.8
708C3_S	14335627.34	4823882.79	1445.1	295.73	0	56.8
708HB_N	14335628.25	4823886.956	1445.2	104.68	0	39
710C3_N	14335661.96	4823971.206	1445.2	305.39	0	35.6
710C3_S	14335659.79	4823968.733	1445.2	303.12	0	35.6
710HB_N	14335666.25	4823975.071	1444.9	118.57	0	44
712C3_N	14335702.34	4824061.921	1445.46	300.76	0	90.6
712C3_S	14335699.82	4824059.326	1445.46	300.46	0	90.6
712HB_N	14335703.06	4824064.83	1445.58	117.16	0	56.8
712HB_S	14335703.11	4824062.301	1445.58	117.97	0	36
714C3_N	14335779.6	4824137.361	1446.08	304.45	0	64.6
714C3_S	14335778.46	4824135.626	1446.08	303.81	0	64.6
714HB_N	14335782.44	4824136.844	1446	117.86	0	19.3
714HB_S	14335780.78	4824133.185	1446.6	111.87	0	19.3
716C3_N	14335866.36	4824217.439	1447.42	316.04	0	37.7
716C3_S	14335864.31	4824215.294	1447.42	316.13	0	37.7
716HB_N	14335866.8	4824215.376	1447.45	115.56	0	81.9
716HB_S	14335865.06	4824211.377	1447.45	115.81	0	81.9
718C3_N	14335936.47	4824279.92	1447.6	306.08	0	51.6
718C3_S	14335931.98	4824275.308	1447.6	305.57	0	51.6
718HB_N	14335942.01	4824286.238	1447.99	120.46	0	36.8
718HB_S	14335940.72	4824284.186	1447.99	120.91	0	36.8
720C3_N	14335993.44	4824360.951	1450	302	0	77.1
720C3_S	14335989.49	4824357.774	1450	300.96	0	77.1
720HB_N	14335996.95	4824368.828	1448.74	122.37	0	51.9
720HB_S	14335994.68	4824360.321	1448.74	122.99	0	51.9
722C3_N	14336045.81	4824442.535	1450.38	302.75	0	75.7
722C3_S	14336042.86	4824439.34	1450.38	303.22	0	75.7
722HB_N	14336052.48	4824451.516	1449.53	103.12	0	15.5
724C3_N	14336111.15	4824532.723	1450.65	300.23	0	129.9
724C3_S	14336109.4	4824529.644	1450.65	300.91	0	129.9
724HB_N	14336105.05	4824534.139	1450.94	120.84	0	90.1
724HB_S	14336103.01	4824530.706	1450.94	120.46	0	90.1

Cross-cut ID	X	Y	Z	Azimuth	Dip	Length
						(m)
726C3_N	14336217.89	4824577.658	1451.89	300.77	0	99.9
726C3_S	14336216.17	4824574.606	1451.89	300.31	0	99.9
726HB_N	14336212.22	4824581.095	1451.64	121.49	0	150.2
726HB_S	14336210.86	4824578.893	1451.64	121.34	0	150.2
728C3_N	14336327.59	4824631.992	1452.95	302.03	0	64.6
728C3_S	14336326.03	4824629.349	1452.95	302.63	0	64.6
728HB_N	14336324.83	4824628.888	1454.15	123.17	0	132
728HB_S	14336322.77	4824626.198	1454.15	123.21	0	132
730C3_N	14336443.35	4824682.846	1454.23	302.57	0	99.2
730C3_S	14336441.68	4824679.848	1454.23	300.13	0	99.2
730HB_N	14336438.94	4824682.899	1454.33	120.35	0	105.3
730HB_S	14336437.34	4824680.229	1454.33	120.56	0	105.3
732C3_N	14336551	4824732.48	1456.69	302.87	0	139.7
732C3_S	14336549.42	4824729.92	1456.69	302.48	0	139.7
732HB_N	14336549.9	4824736.822	1454.83	130.77	0	59
732HB_S	14336543.65	4824728.757	1454.83	121.33	0	59
734C3_N	14336609.27	4824812.935	1456.28	303.26	0	103.5
734HB_N	14336609.65	4824811.141	1455.99	123.73	0	48.3
734HB_S	14336606.65	4824805.816	1455.99	124.74	0	48.3
736C3_N	14336655.05	4824896.228	1456.89	302.03	0	56.7
736C3_S	14336654.03	4824894.634	1456.89	301.1	0	56.7
736HB_N	14336654.73	4824894.932	1456.76	118.98	0	30.2
736HB_S	14336653.47	4824892.234	1456.76	118.98	0	30.2
738C3_N	14336700.23	4824974.232	1457.48	302	0	57.7
738C3_S	14336697.91	4824970.433	1457.48	303.7	0	57.7
738HB_N	14336700.69	4824974.228	1457.51	119.56	0	30
738HB_S	14336700.98	4824970.219	1457.51	113.02	0	30
7MA12-14_W	14335728.43	4824090.808	1445.333	47.11	0	82
7MA25-26_W	14336146.11	4824550.659	1450.46	67.84	0	65
7MA28-29_W	14336356.93	4824645.516	1451.64	67.67	0	50

APPENDIX C TABLE 1 — JORC CODE 2012

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	The analytical results used to derive the Mineral Resource estimate at the Boguty Project were from 1969-1974 Former Soviet Union (FSU) program and 2014-2015 Behre Dolbear (BD) program. • The FSU dataset includes 19,943 m of trenches, 17,576 m of adits and the BD dataset includes 152 m of trenches, 362 m of adits and 5,075 m of drilling. • Surface trench and underground adit samples collected in FSU and BD programs were all continuous channel intervals of consistent width, depth and length of approximately 10 cm × 3 cm × 2 m, channeled either by chisels or saws. • In the FSU program, surface and underground diamond core drilling had been carried out. Mineralised drill core intervals were sampled in their entirety. The type of drill rigs and core diameters were not recorded. • Diamond core samples in the BD program were collected by sawing in half, length-wise, perpendicular to veins and were considered representative. Sample intervals were generally 2 m.
Drilling techniques	• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	• In the FSU program, details of drilling techniques were not recorded. • In the BD program, drilling was conducted by PQ, HQ and NQ standard tube diamond core. Core was not oriented. Core boxes were marked.
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximize sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• In the FSU program, the core recovery for the surface drilling ranged between 37% and 75% and recovery for underground drilling ranged between 31% and 96%. • In the BD program, diamond core recoveries were recorded during logging and the core recovery was >95%.

Criteria	JORC Code explanation	Commentary
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged.	• Logsheets in the FSU program were not preserved. • In the BD program, the cores were logged with geological and geotechnical information recorded, and photographed.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximize representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	In the FSU program: • The cores were sampled in full without cutting or sawing. • All samples were sent to Central Chemical Laboratory of the Regional Geology Department in South Kazakhstan. • Samples were first pulverised to 1 mm grain size. A 250 g portion of the samples was heated to 600°C in a porcelain crucible and mixed with hydrochloric acid to decompose elements that could interfere with the analytical results. • About 6.35% of pulp duplicates were inserted as internal quality control. • No blank or standard insertions were documented. In the BD program: • The primary drill samples were half-core cut (by diamond saw) perpendicular to the mineralised quartz veins and stockwork zones. • Pulp duplicates, blank and CRM standard samples were inserted at a rate of 1 in 30. • Field duplicates and coarse duplicates were also inserted in trench and adit samples. • Samples were labeled, bagged and shipped to ALS Kazlab LLP in Kazakhstan for sample preparation. • Samples were pulverised to 85% passing <75 um.

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	In the FSU program: • Samples were analyzed for WO_3 % using wet chemistry and colorimetry. • Internal duplicates showed good correlation. In the BD program: • All of the trench and adit samples as well as 60% of drill core samples were sent to ALS Chita, Russia, for principal analysis using the ME-ICP61 and ME-ICP81x procedures. Approximately 20% of the drill samples were sent to ALS Guangzhou, China (ALS GZ), and the remaining 20% were sent to Intertek Beijing (Intertek) using same sodium peroxide fusion with ICP-OES finish. • Quality control checks showed the data were of high standard. • Field and coarse duplicates showed scattering due to the nuggety nature of the mineralisation.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	In the BD program: • Round robin tests were performed among the three laboratories engaged (ALS Chita, ALS GZ and Intertek) and SGS Vostok Laboratory, Russia (SGS) served as the main external laboratory. A total of 182 pulp samples were re-assayed, and results showed good correlation. • SRK visited the site which involved examining the channels along underground adits and trenches cut, and drill hole collars in the FSU and BD programs. SRK also inspected the halved drill core of the BD program stored in a warehouse in Almaty. • SRK validated BD database by selecting 72 pulp samples to perform external checks. • A positive bias has been observed in the FSU data. To address this bias, the data have been adjusted using a regression formula derived from a comparison between the FSU and BD data. • A bias (high) was found in the FSU data when compared to the 257 BD trench and adit re-samples. • Further analysis was done by creating an intersection grade shell between the BD and FSU data and comparing the grades estimated by the two datasets. FSU data were still found biased high. • An obvious trend of elevation was found when comparing the Q-Q plot of the two datasets. A regression formula was generated in Excel and the corresponding elevated FSU grades were adjusted accordingly.

Criteria	JORC Code explanation	Commentary
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• All data were projected to Pulkovo 1942/Gauss-Kruger Zone 14 coordinates. • In 2014, all adit portals, trenches and drill holes of the FSU and BD programs were surveyed using the GPS-RTK system. • Jiaxin provided the latest topographic map as of 30 June 2025.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• The general line spacing for the FSU program was approximately 50 m. Spacing in the center of the deposit is locally 25 m, and at the margin of mineralisation the spacing widens to 100 m. • The line spacing for the BD drilling program was approximately 100 m, with collars approximately 50 m apart. • The combined spacing of the FSU and BD programs is deemed adequate for estimation of Mineral Resources.
Orientation of data in relation to geological structure.	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Drill core was not oriented. • Structural core measurements include alpha angle only.
Sample security	• The measures taken to ensure sample security.	• None of the FSU samples were preserved. • The halved drill cores and pulp rejects in the BD program were stored in a warehouse in Almaty.
Audits or reviews . . .	• The results of any audits or reviews of sampling techniques and data.	• SRK undertook a review of the assay data of both the FSU and BD datasets, including standards, blanks and QAQC of laboratory reporting. The results appear to be reasonable.

Section 2 Reporting of Exploration Results

(Criteria listed in section 1 also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• The mining rights of the Project are covered by Subsoil Use Contract No. 4608-TPI and three subsequent addenda. The current owner of the Subsoil Use Contract is Zhetisu Volframy LLP (Zhetisu), which is held by Jiaxin's subsidiaries. • The mining rights cover an area of 1.16 km^2 and permit the exploitation of the resource to a maximum depth of 300 m below the surface. The mining rights were issued by the MID (a predecessor of the MIC). The licence is valid from 2 June 2015, to 2 June 2040, for a period of 25 years.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• Numerous small-scale exploration works had been carried out by different parties since the discovery of Boguty deposit in 1942. • Two systematic exploration programs were carried out in 1969-1974 by Geological Survey of South Kazakhstan (the FSU program) and in 2014-2015 by Behre Dolbear (the BD program).
Geology	• Deposit type, geological setting and style of mineralisation.	• The deposit is hosted in quartz-scheelite stockwork zones filling the fractures within metasediments. • The hydrothermal fluid contributing to the mineralisation is associated with granitic intrusions. • The overall strike of the deposit is about ~300°.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: – easting and northing of the drill hole collar – elevation or RL (Reduced Level — elevation above sea level in metres) of the drill hole collar – dip and azimuth of the hole – downhole length and interception depth – hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• In the FSD program, both surface and underground drill holes had poor recoveries and their assay data were used to delineate the orebody but were not used for estimation of Mineral Resources. • The BD program contains 18 drill holes with depths range between 33.9 m and 500 m, azimuth at 121.5° (one reversed at 301.5°) and dips between 45° and 85°. • All drill hole, trench and adit information is appended to this Report.

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Data aggregation methods are not applicable for the Mineral Resource estimate reported here.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	• The stockwork veins steeply dip at ~80°. The intersections from adits and trenches therefore approximately correspond to true width mineralisation. • The BD drill holes dip at an acute angle relative to the mineralisation.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• See ITR Sections 4 and 5.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Individual intersections are not reported.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data . . .	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples — size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• In the FSU program, a total of 195 samples and six bulk samples were described for obtaining the average density value for the mineralised sandstone and sandstone-shale unit. An average specific gravity value of 2.74 t/m^3 was used for the sediment that hosts the mineralisation. • In the BD program, samples for density measurement were collected at 10 m intervals of the drill hole. These samples were measured by the water immersion method. In total, 403 samples were collected from the sandstone and sandstone-shale unit that hosts the mineralisation, and 43 samples were collected from the barren units. • 4 holes for geotechnical and hydrological purposes were drilled in 2022.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• No further exploration programs of infill or extension drilling are planned. • Grade control, including blast hole sampling, should be conducted regularly. • Production reconciliation should also be undertaken.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• SRK spot-checked the database against FSU tables and maps, and against the BD assay certificates, and found no flaws in the data. • During the process of uploading the database into SRK's software (Leapfrog), various checks for internal inconsistencies (such as overlapping intervals and missing collars) are automatically performed. Visual checks of the different generations and types of sampling data against each other also ensure database integrity.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• The authors visited the Project in July 2018, September 2022, November 2022, August 2023, July 2024, March, June and August 2025.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Geological domains were modeled based on digitising contacts from sections and maps, and then constructing a wireframe from the polylines. • The mineralisation domain was modeled using a grade shell. • The geological interpretation is considered robust; there is sufficient drilling, surface trenching and adit sampling to provide a tight control on the geological interpretation. • Interpreted anisotropy of mineralisation continuity is used to guide the orientation set for variogram model and search neighbourhood.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The mineralised stockwork zone extends approximately 2,000 m in a northeast direction, with a lateral extent of 400 m towards the east. It dips subvertically northwest, reaching a maximum depth of 500 m.

Criteria	JORC Code explanation	Commentary
Estimation and modeling techniques.	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen, include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulfur for acid mine drainage characterization). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modeling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• GKZ had prepared a Mineral Resource estimate for the FSU program. Numerous Chinese institutes had reported a Mineral Resource estimate using data from both the FSU and BD programs. None of these estimates were prepared under the guidelines of the JORC Code. • BD reported a Mineral Resource estimate under JORC Code guidelines in 2015. SRK has reviewed the estimate and noted it included large volumes of waste rocks in the orebody domain. The resultant Mineral Resource estimate has a high ore tonnage but low tungsten grade. The BD Mineral Resource estimate is not adopted in current Project. • SRK's 3D block modeling and estimation was undertaken in Leapfrog Edge software (version 2023.1). • The Resources Domain for the Project was built using radial basis function (RBF) in Leapfrog Edge software. A 0.08% WO_3 threshold was used to define the mineralised intervals and high grades were capped at 1.2% WO_3. • Block grades were interpolated using the Ordinary Kriging (OK) method. Quantitative Kriging Neighbourhood Analysis (QKNA) was used to optimize the estimation neighbourhood. During the grade estimation, dynamitic ellipsoid and multiple search runs are also applied. • A discretisation grid of 3 × 3 × 2 has been used within each block during the estimation. • SRK conducted visual validation of the longitudinal views and cross section view of the drill holes or channel grades and block model grades, which demonstrated good correlation between local block estimations and nearby samples, without excessive smoothing in the block model.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnages are estimated on a dry basis.

Criteria	JORC Code explanation	Commentary
Cut-off parameters. . .	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• A cut-off grade of 0.05% WO_3 is adopted based on assumptions of: – Mining cost at 12 RMB/t – Processing cost at 55 RMB/t – General & Administration cost at 19 RMB/t – Processing recovery at 83% (80% in 2025 during the ramp-up period) – 65% W concentrate price at 143,000 RMB/t. • These parameters are based on the preliminary design which was further updated by the Company. The commodity price forecast is based on a market study undertaken by an independent market research consultancy.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Open pit mining is assumed. • The block size, in particular the z dimension, has taken the proposed bench height into account.
Metallurgical factors or assumptions . . .	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• The mineralisation is assumed to be principally scheelite. • Metallurgical testwork has shown that a scheelite concentrate can be concentrated through a flotation flowsheet, with a reasonable recovery. • Based on various metallurgical testwork conducted, an 83% processing recovery has been assumed (80% in 2025 during the ramp-up period).

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions . . .	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• An EIA has been approved by the relevant authority.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc.), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• In the FSU program, a total of 195 samples and six bulk samples were described for obtaining the average density value for the mineralised sandstone and sandstone-shale unit. An average specific gravity value of 2.74 t/m^3 was used for the sediment that that hosts the mineralisation. • In the BD program, samples for density measurement were collected at 10 m intervals of the drill hole. These samples were measured by the water immersion method. In total, 403 samples were collected from the sandstone and sandstone-shale unit that hosts the mineralisation, and 43 samples were collected from the barren units.

Criteria	JORC Code explanation	Commentary
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• SRK considered the following factors in Mineral Resource classification: – Geological continuity and reliability of interpretation – Sample support and exploration workings density – Quality of the historical exploration campaign data and the validation results – Grade continuity and variography – Ordinary Kriging statistics. • The Measured classification category is not applied, due to the adjustment made to the FSU samples, which represent most of the database. • Indicated Mineral Resource is classified in the area defined by surface trench, adit and BD drill holes. • Inferred Mineral Resource is classified in the area defined only by surface trenches, and the deeper extension of Adit 7 and BD drill holes.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• No external audits or reviews of the Mineral Resource have been undertaken. • SRK has carried out an internal peer review on the Mineral Resource estimate.
Discussion of relative accuracy/confidence	• Where appropriate, a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The relative accuracy of the Mineral Resource estimate is reflected in the reporting of the Mineral Resource as per the guidelines of the 2012 JORC Code. • The Mineral Resource Statement reflects the global estimates of in situ tonnes and grade. • Construction is largely complete, and trial production commenced in November 2024.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in section 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	• The Ore Reserves estimate was based on the Mineral Resource model developed by the SRK and excluded Inferred Mineral Resources. • The Ore Reserves are reported inclusive of Mineral Resources. • The Ore Reserve estimate is derived from pit optimization and pit design, mining dilution and ore loss. The reference point for Ore Reserve estimates is the ROM pad before crusher.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken, indicate why this is the case.	• SRK consultants visited the site in July 2018, November 2022 and August, September, November 2023, July 2024, March, June and August 2025.
Study status	• The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• Four studies have been completed for the Project: – Feasibility Study on the Boguty tungsten mine, Kazakhstan with 10,000 tpd mining capacity, compiled by Hunan Research Institute of Non-Ferrous Metals (HRI) on December 2017 (2017 FS) – Feasibility Study on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in first two years), compiled by ENFI on August 2019 (2019 FS) – Preliminary Design on the Boguty tungsten mining and engineering project, Kazakhstan with 15,000 tpd mining capacity (10,000 tpd in first two years), compiled by ENFI on June 2020 (Preliminary Design) – Hydro-geotechnical Pre-feasibility study for Boguty Tungsten Project, compiled by SRK Almaty on August 2023 (GT PFS). • After reviewing the Preliminary Design, SRK considers the Preliminary Design meets the international PFS level and could form the basis for conversion of Mineral Resources to Ore Reserves. • The verified Modifying Factors of the Preliminary Design and the additional geotechnical and hydrogeological studies, as well as the Company-provided construction progress and schedule form the basis of the pit optimization, mine schedule and subsequent declaration of Ore Reserve.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimization or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (e.g. pit slopes, stope sizes, etc.), grade control and pre-production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimization (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are used in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	• The marginal cut-off grade (MCOG) is applied for feed ore, within the pit design, to define ore or waste. – The MCOG is estimated as 0.06% total WO_3 grade. – The cost of RMB55/t feed is based on budget updates for the second stage of processing plant operation (4.95 Mtpa feed). The General & Administration cost is RMB19/t. – The price of the concentrate based on the forecast from F&S. The price is RMB110,000/t standard tungsten concentrate (65% WO_3), excluding VAT. – The processing recovery is 79%. – Resource tax is 7.8% of revenue. – Sales expense is 0.8% of revenue. • The open pit mining with a conventional drill and blast, shovel and truck method is employed for the mine. • The conversion of Mineral Resources to Ore Reserves is based on pit optimization which considers Indicated Mineral Resources only (there is no Measured Mineral Resource for the Project). • The main input for pit optimization is the MCOG estimate, with the following additional input: – Mining cost is RMB32/m^3 of rock material. • The pit design is based on the optimization shell as the revenue factor = 1.0, and uses the parameters proposed in the GT PFS: – Bench height is 20 m. – Bench face angle is 65°-70°. – Catch berm is 6.5-10.5 m wide. – The ramp is 18 m wide for dual lane; 10 m for single lane. – The road gradient is 8% (1V:12.5H). • The LOM plan is based on the schedule strategy proposed by the Preliminary Design, which is mining from the top downwards with two benches operated simultaneously, at a peak rock extraction capacity of 18.4 Mtpa, to achieve a feed ore capacity of 4.95 Mtpa. The LOM is 15 years. The average grade is 0.206% WO_3 and the stripping ratio is 1.53.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical testwork undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale testwork and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	• SRK considers the two-stage crushing-ore sorting-tertiary crushing-grinding circuit, along with a flotation concentrator using a single-stage rougher, three-stage scavenger and three-stage cleaner process, an appropriate flowsheet to process the ore. • An industrial scale ore-sorting test will also be undertaken. • The metallurgical samples were taken from surface and adits. Based on the distribution of sampling locations and grades, SRK considers the test samples are representative. • No assumptions for deleterious elements have been made. • The samples subject to pilot-scale testwork are considered representative.
Environmental	• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterization and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	• Environmental Impact Assessments (EIAs) for the open pit, processing plant and TSF were completed and approved by the relevant government authorities. No waste rock characterization has been completed by the Company.
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labor, accommodation; or the ease with which the infrastructure can be provided, or accessed.	• The key infrastructure includes power and water supplies. The installation of a 7 km-long overhead line, connecting to the existing 110 kV line and waterpipe connecting to the water taking point in Charyn River. • The Project is connected to the major A3 paved highway through a 3 km-long gravel road.

Criteria	JORC Code explanation	Commentary
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study. • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The derivation of assumptions made of metal or commodity price(s), for the principal minerals and co-products. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both government and private.	• The construction of the Project was largely completed in late 2024. The capital cost estimate is based on the Preliminary Design. • The operating cost estimate is based on the Preliminary Design and was recently updated by the Company's financial team. • The commodity price forecast is provided by F&S, an independent market research company. • A fixed exchange rate of US$/RMB of 7.08 has been applied. • The transportation charges from the Project to the Khorgos border crossing with China is based on research by the Company's financial team. • 7.8% government resource tax on pre-VAT revenue.
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	• The head grade is based on the latest Mineral Resource estimate by SRK. • The ore loss and dilution are based on the Preliminary Design. • The commodity price is based on the forecast by F&S, an independent market research company. • A fixed exchange rate of US$/RMB of 7.08 has been applied.
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• The demand and supply for the tungsten concentrate and other market factors are based on the research by F&S, an independent market research company. • The market research was completed by F&S. • SRK sighted sales agreements between the Company and a Chinese customer. The agreements state the pricing mechanism and other conditions. • F&S has confirmed that entering into a memorandum of understanding at early stage of the development of tungsten mine is in line with the industry norm.

Criteria	JORC Code explanation	Commentary
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• The capital and operating costs are based on the Preliminary Design and are recently updated by the Company's financial team. The mining schedule is based on the latest schedule by SRK. The target processing plant throughput is based on the latest Company forecast. • The estimated inflation is based on the forecast by F&S. • The range of discount rates applied is considered by SRK as appropriate. • A sensitivity analysis has been performed against various key parameters and a positive NPV was yielded.
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• The social requirement is bounded by the Subsoil Use Contract signed between Zhetisu and the government. • In 2014, public hearing was conducted for the EIA of the Project with the key stakeholders. • A memorandum between Zhetisu and the Akimat Yenbekshikazakh district was signed in 2021, setting out the Zhetisu obligations. • Between 2021 and 2022, Zhetisu invested KZT161M to meet the needs and requirements of the Sogeti rural district and its resident.
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	• No material risks have been identified. • The Project area is a seismic active area with the peak ground acceleration, ranging from 0.415g to 0.598 g. SRK understands that all design and construction of the Project has taken into account of the potential earthquake risk.

Criteria	JORC Code explanation	Commentary
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	• Applying the Modifying Factor, all economically mineable parts of the Indicated Mineral Resources within the open pit design and the current boundaries of the mining licence, including dilution and ore loss have been classified as Probable. • The Competent Person considers the classification is appropriate. • No Measured Resource has been converted to Probable Ore Reserve.
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• An internal peer review has been completed for the Ore Reserve estimate.
Discussion of relative accuracy/confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognized that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The Ore Reserve is based on the verified Modifying Factors described in the Preliminary Design; the latest geotechnical and hydrogeological studies; the latest SRK's Mineral Resource estimate and the capital and operating costs updated by the Company's financial team. The Ore Reserve is within the boundaries of the mining licence. • There are no unforeseen Modifying Factors at the time of this statement that will have material impact on the Ore Reserve estimate. • Where practical and possible, current industry practises have been used to quantify estimation made.

This Appendix contains a summary of the Articles of Association of the Company. As the information set out below is in summary form, it does not contain all of the information that may be important to potential investors. A copy of the Articles of Association is available on display as referred to in the section headed "Documents Delivered to the Registrar of Companies and Available on Display — 2. Documents Available on Display" in Appendix VII to this prospectus.

The Articles of Association were adopted by our Shareholders on August 15, 2025, which will come into effect from the date on which this prospectus (together with the other documents required) are submitted to the Registrar of Companies in Hong Kong. The following is a summary of certain provisions of the Articles of Association. The powers conferred or permitted by the Articles of Association are subject to the provisions of the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance, other ordinances and subsidiary legislation and the Listing Rules.

CHANGES IN CAPITAL

The Company may from time to time by ordinary resolution alter its share capital in any one or more of the ways set out in section 170 of the Companies Ordinance, including but not limited to:

(a) increasing its share capital by allotting and issuing new shares in accordance with the Companies Ordinance;

(b) increasing its share capital without allotting and issuing new shares, if the funds or other assets for the increase are provided by the members of the Company;

(c) capitalizing its profits, with or without allotting and issuing new shares;

(d) allotting and issuing bonus shares with or without increasing its share capital;

(e) converting all or any of its share into a larger or smaller number of existing shares;

(f) dividing its shares into several classes and attaching thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions, provided always that where the Company issues shares which do not carry voting rights, the words "non-voting" shall appear in the designation of such shares and where the equity capital includes shares with different voting rights, the designation of each class of shares, other than those with the most favorable voting rights, must include the words "restricted voting" or "limited voting";

(g) canceling shares:

    (i) that, at the date of the passing of the resolution for cancelation, have not been taken or agreed to be taken by any person; or

(ii) that have been forfeited; and

(h) making provision for the issue and allotment of shares which do not carry any voting rights.[1]

The Company may by special resolution reduce its share capital in any manner allowed by law.[2]

Subject to the provisions of the Companies Ordinance and the Articles of Association, all unissued shares in the Company shall be at the disposal of the directors, who may offer, allot, grant options over or otherwise deal with or dispose of the same to such persons, at such times, for such consideration and generally on such terms and conditions as they in their absolute discretion think fit.[3]

VARIATION OF RIGHTS

If at any time the share capital is divided into different classes of shares, all or any of the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) for the time being in issue may, at any time, as well before as during liquidation, subject to the provisions of the Companies Ordinance, be varied, modified or abrogated either with the consent in writing of the holders of shares representing at least seventy-five (75)% of the total voting rights thereof in that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class. To every such separate general meeting the provisions of the Articles of Association relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be not less than two (2) persons holding or representing by proxy one-third of the total voting rights of holders of shares of that class, and at an adjourned meeting one (1) person holding or his proxy representing shares of that class, and any holder of shares of the class present in person or by proxy may demand a poll. The provisions in this paragraph shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the rights whereof are to be varied.[4]

TRANSFER OF SHARES

The right of members of the Company to transfer their fully-paid shares shall not be restricted (except where permitted by the Stock Exchange) and shall also be free from all lien.[5]

1 Article 55

2 Article 59

3 Article 8

4 Article 9

5 Article 40

The instrument of transfer of a share in the Company shall be in writing and in any usual form or in any other form as the board of directors may accept and shall be executed by or on behalf of the transferor and by or on behalf of the transferee. The instrument of transfer may be executed by hand only or, if the transferor or transferee is a Clearing House (or its nominee), by hand or by machine imprinted signature or by such other manner of execution as the board of directors may approve from time to time. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register in respect thereof. Nothing in the Articles of Association shall preclude the board of directors from recognizing a renunciation of the allotment or provisional allotment of any share by the allottee in favor of some other person.[6]

Every instrument of transfer and other documents relating to or affecting the title to any shares of the Company shall be lodged at the office of the Company for registration (or at such other place as the board of directors may appoint for such purpose) accompanied by the certificate relating to the shares to be transferred and such other evidence as the directors may require in relation thereto.[7]

All instruments of transfer which shall be registered shall be retained by the Company, but save where fraud is suspected, any instrument of transfer which the directors refuse to register shall, on demand, be returned to the person lodging the same.[8]

There shall be paid to the Company in respect of the registration of a transfer and of any grant of probate or letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any share or for making of any entry in the Register affecting the title to any share such fee (if any) as the directors may from time to time require or prescribed, provided that such fee (if any) shall not exceed the maximum fees as the Stock Exchange may from time to time prescribe or permit.[9]

GENERAL MEETINGS

The Company must in respect of each financial year hold a general meeting as its annual general meeting in addition to any other meetings in that year. The annual general meeting shall be held within 6 months after the end of each financial year and at such place(s) as may be determined by the directors.[10]

6 Article 41

7 Article 42

8 Article 43

9 Article 44

10 Article 61

The directors may whenever they think fit, and shall on requisition in accordance with the Companies Ordinance, convene an extraordinary general meeting.[11]

A general meeting may be held at two (2) or more places using any technology that enables members of the Company who are not together at the same place to listen, speak and vote at such meeting.[12]

NOTICE OF GENERAL MEETINGS

Subject to section 578 of the Companies Ordinance, an annual general meeting shall be called by not less than notice in writing of at least twenty-one (21) days (or such longer period as may be required by the Listing Rules), and any other general meeting shall be called by not less than notice in writing of at least fourteen (14) days (or such longer period as may be required by the Listing Rules).[13]

Subject to sections 576 and 578 of the Companies Ordinance, the notice shall specify the place(s), date and time of meeting. The notice convening an annual general meeting shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. There shall appear on every such notice with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint one or more proxies to attend and vote instead of him and that a proxy needs not be a member of the Company.[14]

Notwithstanding that a meeting of the Company is called by shorter notice than that specified in the Articles of Association or required by the Companies Ordinance, it shall be deemed to have been duly called if it is so agreed:

(a) in the case of a meeting called as the annual general meeting, by all the members of the Company entitled to attend and vote thereat; and

(b) in the case of any other meeting, by a majority in number of the members of the Company having a right to attend and vote thereat, being a majority together holding not less than ninety-five (95)% of the shares giving that right.[15]

11 Article 63

12 Article 64

13 Article 65

14 Article 66

15 Article 67

The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice), the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.[16]

VOTING AT GENERAL MEETINGS

Subject to the provisions of the Companies Ordinance, the Articles of Association and any special rights, privileges or restrictions as to voting for the time being attached to any class or classes of shares, every member who (being an individual) is present in person or (being a corporation) is present by a representative duly authorized at any general meeting shall be entitled, on a show of hands, to one (1) vote only and, on a poll, to one (1) vote for every fully paid-up share of which he is the holder.[17]

On a poll, votes may be given either personally or by proxy or (in the case of a corporate member) by a duly authorized representative. A member entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.[18]

In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names stand in the Register in respect of such share.[19]

Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any vote cast by or on behalf of such member of the Company in contravention of such requirement or restriction shall not be counted.[20]

DIRECTORS NEED NOT BE MEMBERS

A director need not hold any shares in the Company. A director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.[21]

16 Article 68

17 Article 82

18 Article 83

19 Article 84

20 Article 89

21 Article 102

BORROWING POWERS

The directors may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and to issue debentures, debenture stocks, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.[22]

APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTORS

The Company may, from time to time, by ordinary resolution elect any person to be a director either to fill a casual vacancy or as an addition to the board of directors.[23]

No person (other than a director retiring in accordance with the Articles of Association) shall be eligible for election to the office of director at any general meeting under the last paragraph unless:

(i) he is recommended by the board of directors for re-election; or

(ii) he is nominated by notice in writing by a member of the Company (other than the person to be proposed) entitled to attend and vote at the meeting, and such notice of nomination shall be given to the Company Secretary within the seven-day period (or a longer period as may be determined by the directors from time to time) commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than seven (7) days prior to the date appointed for such meeting. The notice of nomination shall be accompanied by a notice signed by the proposed candidate indicating his willingness to be appointed or re-appointed.[24]

Without prejudice to the power of the Company in general meeting in accordance with any of the provisions of these Articles to appoint any person to be a director, the board of directors shall have power, exercisable at any time and from time to time, to appoint any other person as a director, either to fill a casual vacancy or as an addition to the board of directors, provided that the number of directors so appointed shall not exceed the maximum number (if any) determined pursuant to these Articles. Any directors so appointed shall hold office only until the next following annual general meeting of the Company, and shall then be eligible for re-election, but shall not be taken into account in determining the directors or the number of directors who are to retire by rotation at each annual general meeting.[25]

22 Article 118

23 Article 106(a)

24 Article 106(b)

25 Article 107

The Company may, at any general meeting convened and held in accordance with the Companies Ordinance, by ordinary resolution remove any director before the expiration of his period of service notwithstanding anything in the Articles of Association or in any agreement between him and the Company (but without prejudice to any claim he may have for damages for termination of such agreement not in accordance with its terms), and may, if thought fit, by ordinary resolution appoint another person in his stead. Any person so elected shall hold office for such time only as the director in whose place he is elected would have held the same if he had not been removed.[26]

The office of a director shall *ipso facto* be vacated if:

(a) if he ceases to be a director by virtue of any provision of the Companies Ordinance or the Companies (Winding Up and Miscellaneous Provisions) Ordinance or he becomes prohibited by law or court order from being a director;

(b) if he becomes bankrupt or a receiving order (or, in the case of a company, a winding up order) is made against him or he makes any arrangement or composition with his creditors generally;

(c) if he is, or may be, suffering from mental disorder and an order is made by a court claiming jurisdiction in that behalf (whether in Hong Kong or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, *curator bonis* or other person by whatever name called to exercise powers with respect to his property or affairs;

(d) if he is absent from meetings of the board of directors during a continuous period of six (6) successive months without special leave of absence from the board of directors, and his alternate director (if any) shall not during such period have attended such meetings in his stead, and the board of directors passes a resolution that he has by reason of such absence vacated his office;

(e) if he is removed from office by notice in writing served upon him signed by all other directors;

(f) if he serves on the Company notice of his wish to resign, in which case he shall vacate office on the service of such notice to the Company or such later time as is specified in such notice;

(g) if he is removed by ordinary resolution in accordance with the Companies Ordinance or in the manner provided in the last paragraph; or

(h) if he is convicted of an indictable offense.

26 Article 109

If the office of a director is vacated for any reason, he shall cease to be a member of any committee or sub-committee appointed by the board of directors.[27]

DIRECTORS' REMUNERATION AND EXPENSES

The directors shall be entitled to receive by way of remuneration for their services such sum as is from time to time determined by the Company in general meeting, such sum (unless otherwise directed by resolution by which it is voted) is to be divided amongst the directors in such proportions and in such manner as the board of directors may agree, or failing agreement, equally, except that in such event any director holding office for less than the whole of the relevant period in respect of which the remuneration is paid shall only rank in such division in proportion to the time during such period for which he has held office. The foregoing shall not apply to a director who holds any salaried employment or office in the Company in the case of sums paid in respect of directors' fees.[28]

The directors shall also be entitled to be repaid their reasonable traveling, hotel and other expenses incurred by them in or about the performance of their duties as directors, including their expenses of traveling to and from board meetings, committee meetings or general meetings or otherwise incurred whilst engaged on the business of the Company or on the discharge of their duties as directors.[29]

The board of directors may grant special remuneration to any director who, being called upon, shall perform any special or extra services to or at the request of the Company. Such special remuneration may be made payable to such director in addition to or in substitution for his ordinary remuneration (if any) as a director, and may, without prejudice to the provisions in relation to ordinary remuneration, be made payable by a lump sum or by way of salary, commission or participation in profits or otherwise as the board of directors may decide.[30]

DIRECTORS' INTERESTS

If a director or any entity connected with the director is in any way, whether directly or indirectly, interested in a transaction, arrangement or contract or proposed transaction, arrangement or contract with the Company, such director shall declare the nature and extent of his interest or his connected entities' interest at a meeting of the directors at which the question of entering into the transaction, arrangement or contract is first taken into consideration, if he knows his interest then exists, or in any other case as soon as reasonably practicable, and in any event at the first meeting of directors after he knows that he is or has become so interested. Such declaration shall be made in accordance with the Companies Ordinance, the Articles of

27 Article 110

28 Article 103

29 Article 104

30 Article 105

Association and any other requirements prescribed by the Company for the declaration of interests of directors in force from time to time. References to an entity connected with a director shall be construed in accordance with section 486 of the Companies Ordinance.[31]

A general notice in writing given by a director to other directors at a board meeting to the effect that he is a member or a director of a specified company or firm, and is to be regarded as interested in any contract, transaction, arrangement or dealing which may, after the date of the notice, be entered into or made with that company or firm, shall be deemed to be a sufficient declaration of interest in relation to any contract, transaction, arrangement or dealing so entered into or made if such declaration is made in accordance with the provisions of the Companies Ordinance.[32]

A director may:

(i) hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of director for such period and on such terms as the directors may determine and may be paid such extra remuneration for so doing as the directors may determine, either in addition to or in lieu of any remuneration provided for by or pursuant to the Articles of Association;

(ii) act by himself or his firm in a professional capacity for the Company (other than as auditor), and he or his firm shall be entitled to remuneration for professional services as if he were not a director; and

(iii) continue to be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as a shareholder or otherwise, and no such director shall be accountable to the Company for any remuneration or other benefit received by him as a director or officer of, or from his interest in, such other company. The directors may exercise the voting powers conferred by the shares in any other company held or owned by the Company, or exercisable by them as directors of such other company in such manner in all respects as they think fit (including the exercise thereof in favor of any resolution appointing themselves or any of them directors, managing directors, joint managing directors, deputy managing directors or officers of such company) and any director may vote in favor of the exercise of such voting rights in the manner aforesaid notwithstanding that he may be, or is about to be appointed a director or officer of such a company, and that as such he is or may become interested in the exercise of such voting rights in manner aforesaid.[33]

31 Article 122

32 Article 123

33 Article 124(a)

Subject to the provisions of the Companies Ordinance, no director or intended director shall be disqualified by his office from contracting with the Company, nor shall any contract, transaction or arrangement entered into by or on behalf of the Company with any director or any firm or company in which any director is in any way interested be liable to be avoided, nor shall any director so contracting or being so interested be liable to account to the Company for any profit, remuneration or other benefits realized by any such contract, transaction or arrangement by reason only of such director holding that office or of any fiduciary relationship thereby established, provided that such director shall duly declare the nature and extent of his interest in any contract, transaction or arrangement in accordance with the Articles of Association.[34]

A director shall not vote (or be counted in the quorum) on any resolution of the board of directors in respect of any contract or transaction or arrangement or proposal in which he or any of his close associates, is to his knowledge, materially interested, and if he shall do so his vote shall not be counted (nor shall he be counted in the quorum for that resolution), but this prohibition shall not apply to and the directors may vote (and be counted in the quorum) in respect of any resolution concerning any one or more of the following matters:

(a) the giving by the Company of any security or indemnity to him or any of his close associates in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;

(b) the giving by the Company of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself or any of his close associates has assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;

(c) any proposal concerning an offering of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where he or any of his close associates is or is to be interested as a participant in the underwriting or sub-underwriting of the offer;

(d) any proposal concerning any other company in which he or his close associates are interested only, whether directly or indirectly, as an officer or executive or shareholder or in which he or his close associates are beneficially interested in shares of that company, provided that he and any of his close associates are not in aggregate beneficially interested in five (5)% or more of the issued shares of any class of the share capital of such company (or of any third company through which his interest or that of his close associates is derived) or of the voting rights;

34 Article 124(b)

(e) any proposal or arrangement concerning the benefit of employees of the Company or its subsidiaries including:

(i) the adoption, modification or operation of any employees' share scheme or any share incentive or share option scheme under which he or his close associates may benefit; or

(ii) the adoption, modification or operation of a pension fund or retirement, death or disability benefit scheme which relates both to him, his close associates and employees of the Company or of any of its subsidiaries and does not provide in respect of him or his close associates any privilege or advantage not generally accorded to the class of persons to whom such scheme or fund relates; and

(f) any contract or arrangement in which he or any of his close associates is interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his interest in shares or debentures or other securities of the Company.[35]

References herein to a contract include references to any proposed contract and to any transaction or arrangement whether or not constituting a contract.

If any question shall arise at any board meeting as to the materiality of the interest of a director (other than the chairman of the meeting) or as to the entitlement of any director (other than such chairman) to vote or be counted in the quorum and such question is not resolved by his voluntarily agreeing to abstain from voting or not to be counted in the quorum, such question shall be referred to the chairman of the meeting and his ruling in relation to the director concerned shall be final and conclusive except in a case where the nature or extent of the interest of the director or any of his close associates concerned so far as known to him has not been fairly disclosed to the board of directors. If any question as aforesaid shall arise in respect of the chairman of the meeting or any of his close associates, such question shall be decided by a resolution of the board of directors (for which purpose such chairman shall not be counted in the quorum and shall not vote thereon) and such resolution shall be final and conclusive except in a case where the nature or extent of the interest of such chairman so far as known to him has not been fairly disclosed to the board of directors.[36]

35 Article 125(1)

36 Article 125(2)

Subject to the provisions of the Companies Ordinance, the Company may by ordinary resolution suspend or relax the provisions of the Articles of Association to any extent or ratify any transaction not duly authorized by reason of a contravention of the Articles of Association.[37]

DIVIDENDS

Subject to the provisions of the Companies Ordinance, the Company may by ordinary resolution declare a dividend to be paid to the members of the Company, according to their respective right and interests in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the directors. No dividend shall be payable except out of the profits or other distributable reserves of the Company.[38]

Unless and to the extent that the Articles of Association or the rights attached to any shares or the terms of issue thereof otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. No amount paid on a share in advance of calls shall be treated as paid on the share.[39]

The directors may, if they think fit, from time to time, resolve to pay to the members such interim dividends as appear to the directors to be justified. If at any time the share capital of the Company is divided into different classes the directors may resolve to pay such interim dividends in respect of those shares in the capital of the Company which confer on the holders thereof deferred or non-preferred rights as well as in respect of those shares which confer on the holders thereof preferential or special rights in regard to dividend, and provided that the directors act bona fide they shall not incur any responsibility to the holders of shares conferring a preference for any damage that they may suffer by reason of the payment of an interim dividend on any shares having deferred or non-preferred rights. The directors may also resolve to pay at half-yearly or at other suitable intervals to be settled by them any dividend which may be payable at a fixed rate if they are of the opinion that the payment is justified.[40]

The board of directors can offer shareholders the right to choose to receive extra shares, which are credited as fully paid up, instead of some or all of their cash dividends. The basis of such allotment shall be determined by the board of directors and the board of directors shall give notice in writing to the shareholders of their rights of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged

37 Article 125(3)

38 Article 138

39 Article 139

40 Article 145

in order to be effective. The shares allotted shall rank *pari passu* in all respects with the fully paid shares then in issue save only as regards participation in the relevant dividends or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividends.[41]

The directors may distribute in specie or in kind among the members of the Company in satisfaction in whole or in part of any dividend, any of the assets of the Company, and in particular any shares or securities of other companies to which the Company is entitled, and where any difficulty arises in regard to the distribution the board of directors may settle the same as it thinks expedient, and in particular may issue fractional certificates, disregard fractional entitlements or round the same up or down, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payments shall be made to any members of the Company upon the footing of the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees as may seem expedient to the board of directors and may appoint any person to sign any requisite instrument(s) of transfer and other documents on behalf of the persons entitled to the dividend and such appointment shall be effective. Where required, a contract shall be filed in accordance with the provisions of the Companies Ordinance and the board of directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend and such appointment shall be effective.[42]

UNTRACEABLE SHAREHOLDERS

Without prejudice to the rights of the Company, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two (2) consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.[43]

The Company shall be entitled to sell, in such manner as the board of directors thinks fit, any shares of a member of the Company, or any shares to which a person is entitled by transmission, if:

(i) all cheques or warrants, being not less than three (3) in a total number, for any sum payable in cash to the holder of such shares in respect of them sent during the relevant period in the manner authorized by the Articles of Association of the Company have remained uncashed;

41 Article 143

42 Article 148

43 Article 166

(ii) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the shareholder who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or otherwise;

(iii) on or after the expiry of the relevant period the Company has caused advertisements to be published in English in at least one (1) English language newspaper and in Chinese in at least one (1) Chinese language newspaper circulating in Hong Kong giving notice of its intention to sell the share;

(iv) during the period of three (3) months following the publication of those advertisements or the first of the advertisements if they are published on different dates, the Company has not received any communication from a member of the Company or the person entitled by transmission to the share; and

(v) the Company has notified the Stock Exchange of its intention to sell such shares.

For this purpose, "relevant period" means the period commencing twelve (12) years before the date of publication of the relevant advertisement and ending at the expiry of the period referred to in the above sub-paragraph (iii).[44]

To give effect to any such sale pursuant the Articles of Association, the board of directors may authorize any person to transfer the said shares and execute the instrument of transfer. The purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such proceeds, it shall become indebted to the former member of the Company by carrying all moneys in respect thereof to a separate account for an amount equal to such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it, and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit.[45]

44 Article 167(a)

45 Article 167(c)

WINDING UP

If the Company shall be wound up, the surplus assets remaining after payment to all creditors shall be divided among the members of the Company in proportion to the capital paid up on the shares held by them respectively, and if such surplus assets shall be insufficient to repay the whole of the paid-up capital, they shall be distributed so that, as nearly as may be, the losses shall be borne by the members of the Company in proportion to the capital paid up on the shares held by them respectively. The winding up is subject to the rights of the holders of any shares which may be issued on special terms or conditions.[46]

If the Company shall be wound up, the liquidator (whether voluntary or official) may, with the sanction of a special resolution, divide among the members of the Company in specie or kind the whole or any part of the assets of the Company or vest any part of the assets of the Company in trustees upon such trusts for the benefit of the members or any of them as the resolution shall provide. Any such resolution may provide for and sanction a distribution of any specific assets amongst different classes of members otherwise than in accordance with their existing rights.[47]

INDEMNITY

Subject to the provisions of the Companies Ordinance and the Articles of Association, but without prejudice to any indemnity to which a director may otherwise be entitled, every director, former director, responsible person, senior management, officer or auditor of the Company shall be indemnified out of the assets of the Company against any liability, loss, or expenses that arise from any form of legal proceedings related to their actual or alleged actions or omissions in their capacity as the Company's official.[48]

46 Article 169

47 Article 170

48 Article 172

INFORMATION RELATING TO AIX AND HONG KONG LAWS, RULES, REGULATIONS AND CODES

Our Company intends to list its Shares on the Hong Kong Stock Exchange and the AIX. We set out below a summary of the major differences between the Listing Rules and the AIX Business Rules, certain applicable laws and regulations of Hong Kong, the Takeovers Code and certain relevant regulations concerning companies with listed securities.

However, this summary is for general guidance only and is not and shall not be relied on as legal advice or any other advice to Shareholders. The summary is not meant to be a comprehensive or exhaustive description of all the relevant AIX and Hong Kong laws, rules and regulations. In addition, Shareholders should also note that the laws, rules and regulations applicable to our Company and Shareholders may change, whether as a result of proposed legislative reforms to the Hong Kong or AIX or AIFC laws, rules or regulations or otherwise.

Prospective investors and/or Shareholders should consult their own legal advisors for specific legal advice concerning their legal rights and obligations under Hong Kong laws and AIX and AIFC regulations. In the event of any conflict between the Hong Kong laws, rules and regulations, including but not limited to the Listing Rules, the Takeovers Code and Part XV of the SFO, on the one hand, and the AIX or AIFC rules and regulations, including but not limited to the AIX Business Rules (which include AIX Market Disclosure Rules, AIX Markets Listing Rules, AIX Admission and Disclosure Standards, AIX Mining Company Rules) and AIFC Market Rules, on the other hand, we shall comply with the more restrictive and stringent rule. The Sole Sponsor and our Directors are not aware of any major conflicts between the Listing Rules and the AIX Business Rules, which may cause difficulties to us to comply with the rules under both regimes.

I. Summary of the Major Differences between the Listing Rules, Certain Applicable Hong Kong Laws, the AIX Business Rules and AIFC Market Rules

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
REPORTING REQUIREMENTS	
Issuers in Hong Kong are required to comply with disclosure obligations under the Listing Rules upon the occurrence of the events which are prescribed therein. In the case that our Company makes a disclosure pursuant to the Listing Rules, it will make the same disclosure in AIX.	Issuers in AIX are required to comply with disclosure obligations under the AIX Business Rules (which include Market Disclosure Rules, AIX Markets Listing Rules, Admission and Disclosure Standards for Issuers) and AIFC Market Rules upon the occurrence of the events which are prescribed therein. In the case that our Company makes a disclosure pursuant to the Hong Kong Listing Rules, it will make the same disclosure in AIX. AIX, in its reasonable discretion, may require the Company to make additional disclosures when necessary to protect the interests of investors or for other lawful purposes.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
1. Chapter 13 of the Listing Rules (Continuing Obligations)	**Chapter 6 of AIFC Market Rules: Market Disclosure**
Rule 13.09, Listing Rules: General Obligation of Disclosure	**MAR 6.1, AIFC Market Rules: Public disclosure of Inside Information**
(1) Without prejudice to Rule 13.10 of the Listing Rules, where in the view of the Stock Exchange there is or there is likely to be a false market in an issuer's securities, the issuer must, as soon as reasonably practicable after consultation with the Stock Exchange, announce the information necessary to avoid a false market in its securities.	**MAR 6.1.1, AIFC Market Rules: Obligation to disclose Inside Information to the public** An issuer must inform the public as soon as possible of inside information which directly concerns that issuer. **MAR 6.1.2, AIFC Market Rules: Requirements for public disclosure of Inside Information**
Notes:	The issuer:
(1) This obligation exists whether or not the Stock Exchange makes enquiries under Rule 13.10 of the Listing Rules.	(a) must ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public; and
(2) If an issuer believes that there is likely to be a false market in its listed securities, it must contact the Stock Exchange as soon as reasonably practicable.	(b) must not combine the disclosure of inside information to the public with the marketing of its activities; and (c) must post and maintain on its website for a period of at least five years, all inside information it is required to disclose publicly.

The Listing Rules and Hong Kong Laws

(2) (a) Where an issuer is required to disclose inside information under the Inside Information Provisions (as defined in the Listing Rules), it must also simultaneously announce the information.

(b) An issuer must simultaneously copy to the Hong Kong Stock Exchange any application to the SFC for a waiver from disclosure under the Inside Information Provisions, and promptly upon being notified of the SFC's decision copy the Stock Exchange with the SFC's decision.

Rule 13.10B, Listing Rules: Announce Information Disclosed to Other Stock Exchanges

An issuer must announce any information released to any other stock exchange on which its securities are listed at the same time as the information is released to that other exchange.

AIX Business Rules and AIFC Market Rules

MAR 6.1.3, AIFC Market Rules: Delaying disclosure

An issuer may delay disclosure of inside information to the public provided that all of the following conditions are met:

(a) immediate disclosure is likely to prejudice the legitimate interests of the issuer; and

(b) delay of disclosure is not likely to mislead the public; and

(c) the issuer is able to ensure the confidentiality of that information.

MAR 6.1.4, AIFC Market Rules: Delaying disclosure — protracted process

In case of protracted process that occurs in stages and that is intended to bring about, or that results in, particular circumstance or a particular event, an issuer may delay the public disclosure of inside information relating to this process, subject to MAR 6.1.3.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

MAR 6.1.6, AIFC Market Rules: Obligation to disclose to the public when confidentiality is no longer ensured

Where disclosure of inside information has been delayed in accordance with MAR 6.1.3 or MAR 6.1.4 and the confidentiality of that inside information is no longer ensured, the issuer must disclose that inside information to the public as soon as possible.

Guidance: Obligation to disclose to the public when confidentiality is no longer ensured.

MAR 6.1.6 would apply to situations where a rumour explicitly relates to inside information the disclosure of which has been delayed in accordance with MAR 6.1.3 or MAR 6.1.4 where that rumour is sufficiently accurate to indicate that the confidentiality of that information is no longer ensured.

MAR 6.1.7, AIFC Market Rules: Disclosure of Inside Information in the normal course of the exercise of an employment, profession or duties

Where an issuer, or a person acting on their behalf or for their account, discloses any inside information to any third party in the normal course of the exercise of an employment, profession or duties as referred to in MAR 5.2.65 (Unlawful Disclosure of Inside Information):

(a) they must make complete and effective public disclosure of that information, simultaneously in the case of an intentional disclosure, and promptly in the case of a non-intentional disclosure; but

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(b) the obligation in (a) does not arise where the person receiving the information owes a duty of confidentiality, whether such duty is based on law, regulations, on articles of association or on a contract.

MAR 6.5, AIFC Market Rules: Other matters concerning market disclosure

(1) An issuer must disclose to the public any other matters prescribed by the market disclose rules of the AIX on which it has securities or units admitted to the Official List.

(2) Subject to (3) below if an issuer that has its securities of the same class admitted to trading on an equivalent regulated exchange complies with the corresponding requirements of market disclosure rules and regulations in the jurisdiction of such equivalent regulated exchange, it will not be required to make any additional disclosure under market disclosure requirements of the AFSA beyond those disclosures such issuer makes in the jurisdiction of such equivalent regulated exchange, provided that the same information is released on AIX at the same time as in that other jurisdiction, subject to the manner of market disclosure and English language requirement prescribed in the AIX Business Rules. Notwithstanding that, AFSA and/or AIX, in their reasonable discretion, may require the issuer to make additional disclosures when necessary to protect the interests of investors or other lawful purposes.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(3) If an issuer is in breach of the requirements of, or is released from, disclosure obligations (as a result of delisting or otherwise) under, market disclosure rules and regulations in the jurisdiction of the relevant equivalent regulated exchange, the issuer must comply with all relevant market disclosure requirements of the AFSA and AIX on which securities of the issuer are admitted to trading.

Note: Pursuant to AFSA Notice No. AFSA-N-NB-2022-0001 dated 20 April 2022 the Stock Exchange, i.e., its Main Board and Growth Enterprise Market, was recognised to be equivalent regulated exchange.

Chapter MDR 2 (R) of Market Disclosure Rules: Disclosure of Inside Information

Rule MDR 2.1, Market Disclosure Rules: Timely disclosure

MDR 2.1.1 An issuer must make timely of public disclosure inside information in the accordance with requirements in this section.

MDR 2.1.2 An issuer must ensure that the disclosure it makes pursuant to Rule MDR 2.1.1 is not misleading, false or deceptive and does not omit anything likely to affect the import of the information.

MDR 2.1.3 For the purposes of complying with the requirement in Rule MDR 2.1.1, the issuer must, subject to Rule MDR 2.3 and 2.4, make disclosure as soon as possible and in the manner specified in Rule MDR 7.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
	MDR 2.1.4 (G)
	(1) An issuer is required to publicly disclose inside information as soon as possible. In practice, a short period before announcing inside information is permitted where an issuer is affected by an unexpected event and the issuer needs to clarify the situation or take legal advice so that any information released is accurate and not misleading. Any delay should be limited to a period no longer than is reasonably necessary in the circumstances. Where there is a danger of the information leaking out in the meantime, the issuer should make a holding announcement giving an outline of the subject matter of the announcement, the reasons why a full announcement cannot yet be made and undertaking to make a full announcement as soon as possible.
	(2) For the disclosure to be not misleading, false or deceptive, an issuer should provide information that is accurate, factual and complete. Any incomplete or inaccurate information, such as omission of relevant information, would be misleading or deceptive. Information should be provided in an easy to understand manner and not for promotional purposes. The use of imprecise and confusing language such as 'double digit' or 'in excess of last year' should be avoided as it does not allow investors to properly assess the information for the purpose of making an informed decision relating to the relevant securities.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(3) Where an issuer realises that it has or may have breached its continuous disclosure obligations, it should contact AIX to discuss the matter and seek guidance on remedying the situation and on taking steps to ensure that similar breaches are prevented from recurring.

(4) A confidentiality agreement should not prevent an entity from complying with its obligations relating to the disclosure of inside information.

(5) If, for any reason, an issuer is unable, or unwilling to make a holding announcement it may be appropriate for the issuer to file a report pursuant to Rule MDR 2.5 (R) and for the trading of its securities to be suspended until the issuer is in a position to make an announcement.

(6) Identifying Inside Information

Inside information is defined in AIFC MAR Rules 5.2.

Relationship between continuous disclosure and periodic disclosures

(10) Periodic disclosures by issuers are required in a number of circumstances, and examples can include semi-annual and annual reports and financial statements, prospectuses, bidder's statements and target's statements.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(11) In the course of preparing these disclosure documents, issuers may become aware of inside information which was previously insufficiently precise to warrant disclosure. In such circumstances, an issuer should not defer releasing that information until the periodic disclosure or other document is finalised. In such circumstances, an issuer is expected to make an announcement containing the Inside Information as soon as possible.

Concurrent disclosure on AIX and other Regulated exchanges

(12) Issuers with securities of the same class admitted to trading in other regulated exchanges should ensure that the release of announcements containing inside information is coordinated across jurisdictions and made to such regulated exchange and AIX at the same time. Issuers with securities of the same class admitted to trading in other regulated exchanges must announce to AIX any information released to such regulated exchange at the same time as information is released to that other regulated exchange. If the requirements of the other regulated exchange for disclosure are stricter than in the AIFC and AIX, the issuer must ensure that the same information is released in the AIX and AIFC as in that other regulated exchange.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

MDR 2.1.4 (R)

(13) If an issuer that has its securities of the same class admitted to trading on an equivalent regulated exchange as a primary listing complies with the corresponding requirements of market disclosure rules and regulations in the jurisdiction of such equivalent regulated exchange, it will not be required to make any additional disclosure under these AIX Market Disclosure Rules beyond those disclosures such issuer makes in the jurisdiction of such equivalent regulated exchange, provided that the same information is released on AIX at the same time as in that other jurisdiction, subject to Rule MDR 7 in relation to the manner of market disclosure and Rule BRG 6.1 in relation to the use of the English language. Notwithstanding that, AIX, in its reasonable discretion, may require the issuer to make additional disclosures when necessary to protect the interests of investors or for other lawful purposes.

If an issuer is in breach of the requirements of, or is released from, disclosure obligations (as a result of delisting or otherwise) under, market disclosure rules and regulations in the jurisdiction of the relevant equivalent regulated exchange, the issuer must comply with all relevant market disclosure rules set in the AIFC Market Rules and AIX Business Rules.

Note: This rule MDR 2.1.4 (R) (13) provides for the similar concessions/regulation as Rule 6.5 of AIFC Market Rules.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
	(14) Issuers must not delay an announcement in the AIFC in order to wait for a market to open in another jurisdiction, subject to the following provisions of this rule MDR 2.1.4(14). When AIX is a secondary exchange and the AIX market opens earlier than the primary exchange, the issuer must inform AIX of the proposed time of the upcoming disclosure of the price sensitive information before the AIX market opens. AIX shall not disclose such information earlier than the time advised for its release to the primary exchange, and may consider whether to suspend trading of the securities of the issuer until such release. If the issuer is required to notify information to AIX at a time when AIX is not open for business, it must distribute the information as soon as possible to AIX for release as soon as it opens. **Rule MDR 2.2 (R), Market Disclosure Rules: Delaying disclosure** An issuer may delay market disclosure of inside information so as not to prejudice its legitimate interests provided that: (a) the conditions of AIFC Market Rules 6.1.3 are met; and (b) if the information is to be selectively disclosed to a person prior to market disclosure, disclosure is made in accordance with the requirements in Rule MDR 2.3.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

Rule MDR 2.3 (R), Market Disclosure Rules: Selective disclosure

MDR 2.3.1 (R) For the purposes of Rule MDR 2.2(b), an issuer may selectively disclose inside information to a person prior to making market disclosure of such information only if:

(a) it is for the purposes of the exercise by such a person of his/her employment, profession or duties;

(b) that person owes to the issuer a duty of confidentiality, whether based on law, contract or otherwise; and

(c) the issuer has provided to that person, except where that person is an authorised representative of AIX or the AFSA, a written notice as specified in Rule MDR 2.3.3.

MDR 2.3.2 (R) For the purposes of Rule MDR 2.3.1(a), the persons whose exercise of employment, profession or duties may warrant selective disclosure are as follows:

(a) any adviser and underwriter;

(b) an agent employed by the issuer to release the information;

(c) persons with whom the issuer is negotiating with a view to effecting a transaction or raising finance, including prospective underwriters, providers of finance or loans or the placement of the balance of a rights issue not taken up by shareholders;

(d) AIX, AFSA or another financial services regulator where such disclosure is necessary or desirable for the regulator to perform its functions;

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(e) a person to whom the issuer discloses information in accordance with a lawful requirement;

(f) a major shareholder of the issuer; or

(g) any other person to whom it is necessary to disclose the information in the ordinary course of business of the issuer.

MDR 2.3.3 (R) For the purposes of Rule MDR 2.3.1(c), the issuer must, before making disclosure to a person, provide to that person a written notice that:

(a) the information is provided in confidence and must not be used or be allowed to be used for a purpose other than the purpose for which it is provided; and

(b) the recipient must take reasonable steps to ensure that the recipient or any person having access to the information through the recipient does not deal in the relevant securities, or any other related investment, or disclose such information without legitimate reason, prior to market disclosure of that information by the issuer.

MDR 2.3.4 (R) Where an issuer makes selective disclosure of inside information pursuant to Rule MDR 2.3.1, it must ensure that a full announcement is made to the market as soon as possible, and in any event, when it becomes aware or has reasonable grounds to suspect that such information has or may have come to the knowledge of any person or persons other than those to whom the selective disclosure was made.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

MDR 2.3.5 (G)

(1) It is likely that inside information will be made known to certain employees of the issuer. An issuer should put in place procedures to ensure that employees do not disclose such information, whether or not inadvertently, and that employees are adequately trained in the identification and handling of inside information. An issuer should, in compliance with Rule MDR 2.5 (R), also establish and maintain an insider list.

(2) Rule MDR 2.3 does not excuse an issuer from its overriding obligation to disclose inside information as soon as possible pursuant to Rule MDR 2.1. An issuer which proposes to delay public disclosure of inside information should refer to Rule MDR 2.2, which sets out the limited circumstance in which delaying disclosure is permitted.

Chapter MDR 6 (R) and Appendix to Market Disclosure Rules: Table 1

An issuer, other than a listed fund, must on the occurrence of admission to listing or trading of the same class of securities on a regulated exchange or delisting of securities on such regulated exchange, make market disclosure as soon as possible relating to all the relevant details relating to the admission to listing or trading or delisting. (4.2)

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
	If any other disclosure required to be made pursuant to the requirements in the regulated exchange arising from the listing or trading of the same class of securities on that regulated exchange where such disclosure is not made in the AIFC or to the AIX as soon as such disclosure is made on the regulated exchange, an issuer, other than a listed fund, must make market disclosure of the information required to be disclosed to the regulated exchange. (4.3)
	Rule MLR 21.2 (R), Markets Listing Rules: Disclosure Requirements
	MLR 21.2.3 (R) A listed entity must take reasonable care to ensure that information, required to be provided to AIX or disclosed to the market under these Rules, is not misleading, false or deceptive and does not omit anything likely to affect the import of such information. Any information that the issuer believes might be securities price sensitive should be provided to AIX.
Rule 13.51, Listing Rules: Notification on Changes	**Rule 4.1, AIFC Market Rules: Sponsors**
An issuer must publish an announcement as soon as practicable in regard to:	**Rule 4.1.10, AIFC Market Rules: Termination of appointment**
(1) any proposed alteration of the issuer's memorandum or articles of association or equivalent documents;	Where a person who is required to appoint a sponsor dismisses the sponsor, the person must advise the AFSA in writing without delay of the dismissal, giving details of any relevant facts and circumstances.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
(2) any changes in its directorate or supervisory committee, and shall procure that each new director or supervisor or member of its governing body shall lodge with the Stock Exchange as soon as practicable after the appointment, the contact information and personal particulars required under Rule 3.20(1) of the Listing Rules or Rule 19A.07A of the Listing Rules (in such form and manner prescribed by the Stock Exchange from time to time). Where a new director, supervisor or chief executive is appointed or the resignation, re-designation, retirement or removal of a director, supervisor or chief executive takes effect, the issuer must announce the change as soon as practicable and include the details required pursuant to Rule 13.51(2) of the Listing Rules of any newly appointed or re-designated director, supervisor or chief executive in the announcement;	**Rule 4.1.11, AIFC Market Rules: Resignation of sponsor** Where a sponsor resigns, it must advise the AFSA in writing without delay of the resignation, giving details of any relevant facts and circumstances. **Rule 4.2, AIFC Market Rules: Compliance advisers** **Rule 4.2.10, AIFC Market Rules: Termination of appointment** Where an issuer dismisses its compliance adviser, the issuer must advise the AFSA in writing without delay of the dismissal, giving details of all relevant facts and circumstances. **Rule 4.2.11, AIFC Market Rules: Resignation of compliance adviser** Where a compliance adviser resigns, the issuer must without delay advise the AFSA in writing of the resignation, giving details of all relevant facts and circumstances.
(3) any change in the rights attaching to any class of listed securities and any change in the rights attaching to any shares into which any listed debt securities are convertible or exchangeable;	**Chapter MDR 6 (R) and Appendix to Market Disclosure Rules: Table 1** An issuer, other than a listed fund, must disclose to the market matters relating to securities of the issuer, including decisions relating to dividends (4.1), admission to listing or trading of the same class of securities on a regulated exchange or delisting of securities on such regulated exchange (4.2), any other disclosure made pursuant to requirements of another regulated exchange where such disclosure is not made in AIFC or AIX. (4.3)

The Listing Rules and Hong Kong Laws

(4) any change in its auditors or financial year end, the reason(s) for the change and any other matters that need to be brought to the attention of holders of securities of the issuer (including, but not limited to, information set out in the outgoing auditors' confirmation in relation to the change in auditors);

(5) any change in its secretary, share registrar (including any change in overseas branch share registrar) or registered address or where applicable, agent for the service of process in Hong Kong or registered office or registered place of business in Hong Kong;

(6) any change in its Compliance Adviser (as defined in the Listing Rules);

(7) any revision of interim reports, annual reports or summary financial reports, the reason leading to the revision of published financial reports, and the financial impacts, if any; and

(8) any change in its website address.

AIX Business Rules and AIFC Market Rules

An issuer, other than a listed fund, must on the occurrence of any change to the board of directors of the issuer, including:

(a) the appointment of a new director;

(b) the resignation, retirement or removal of an existing director; and

(c) changes to any important functions or executive responsibilities of a director,

make market disclosure as soon as possible relating to:

(a) the effective date of the change (if it has been decided);

(b) whether the position is executive or non-executive;

(c) whether the position is considered to be independent; and

(d) the nature of any functions or responsibility of the position. (2.5)

An issuer, other than a listed fund, must in case of appointment of a new director within 7 calendar days of the appointment make market disclosure relating to:

(a) all directorships past or present held by the director in any other body corporate in the previous five years;

(b) the experience of the director;

(c) details of the process by which the director was selected;

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
	(d) any unspent convictions relating to serious criminal offences; (e) any bankruptcies or individual voluntary arrangements of the director; (f) any compulsory liquidations, creditors voluntary liquidations, company voluntary arrangements, receivership or any composition or arrangement with creditors generally or any class of creditors of any body corporate where such an individual was the director at the time of or within the 12 months preceding the occurrence of such events; and (g) any public criticism or disqualification of the individual by a governmental or regulatory authority and whether the individual has ever been disqualified by a court from acting as a director of a body corporate or from acting in the management or conduct of the affairs of any body corporate or, if there are no such details to be disclosed, that fact. (2.6) An issuer, other than a listed fund, must on the occurrence of any change of custodian or depository in relation to certificates representing shares and debentures, make market disclosure as soon as possible relating to the new custodian or depository and any implication/effect of this change. (4.4) An issuer, other than a listed fund, must on the occurrence of any change to the accounting reference date, make market disclosure as soon as possible relating to the previous and new accounting reference date, and reasons for the change. (6.4)

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

An issuer, other than a listed fund, must on the occurrence of change of accounting date extending the annual accounting reference period to more than 14 months, make market disclosure within 6 months of the old accounting reference date relating to a second semi-annual report. (6.5)

Rule 13.25A, Listing Rules: Changes in Issued Shares

(1) In addition and without prejudice to specific requirements contained elsewhere in the Listing Rules, an issuer must, whenever there is a change in its issued shares as a result of or in connection with any of the events referred to in Rule 13.25A(2) of the Listing Rules, submit for publication on the Stock Exchange's website a return in such form and containing such information as the Stock Exchange may from time to time prescribe by not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day next following the relevant event.

(2) The events referred to in Rule 13.25A(1) of the Listing Rules are as follows:

(a) any of the following:

(i) placing;

(ii) consideration issue;

(iii) open offer;

(iv) rights issue;

Chapter MDR 6 (R) and Appendix to Market Disclosure Rules: Table 1

An issuer, other than a listed fund, must disclose to the market matters relating to capital of the issuer, including new issue of securities and results thereof as follows:

(a) on the occurrence of any proposed new issue of securities, make market disclosure as soon as possible after the decision is made relating to the class, number and proposed date of issue and details of the changes to the share capital resulting from the new issue proposed. (7.1)

(b) on the occurrence of results of the new issue make market disclosure as soon as possible relating to the results of the issue including: (a) the class, number and the actual date of the issue; (b) consideration received; and (c) details of changes in the share capital. (7.2)

An issuer, other than a listed fund, must on the occurrence of any proposed change in a capital structure, including purchase of own shares (for cancellation or to be held as treasury shares), reorganisation of issued capital structure, conversions, as soon as possible, make market disclosure of timetable, terms and effect of the proposed change, additional information in respect of share repurchases as per Rule MLR 20.4. (7.3)

The Listing Rules and Hong Kong Laws

(v) bonus issue;

(vi) scrip dividend;

(vii) repurchase of shares or other securities;

(viii) exercise of an option under the issuer's share option scheme by any of its directors;

(ix) exercise of an option other than under the issuer's share option scheme by any of its directors;

(x) capital reorganisation; or

(xi) change in issued shares not falling within any of the categories referred to in Rule 13.25A(2)(a)(i) to (x) or Rule 13.25A(2)(b) of the Listing Rules; and

(b) subject to Rule 13.25A(3) of the Listing Rules, any of the following:

(i) exercise of an option under a share option scheme other than by a director of the issuer;

(ii) exercise of an option other than under a share option scheme not by a director of the issuer;

AIX Business Rules and AIFC Market Rules

An issuer, other than a listed fund, must on the occurrence of any redemption of listed securities including details of the number of securities redeemed and the number of securities of that class outstanding following the redemption, as soon as possible, make market disclosure of class, number of securities and date of redemption and details of the changes to the capital structure resulting from redemption. (7.4)

Rule ADS 6.5 (R), Admission and Disclosure Standards for issuers: Reorganisation of Securities

ADS 6.5.1 If an issuer proposes to reorganise its issued capital structure, it must provide AIX with sufficient prior notice to ensure that an orderly market is maintained in its securities.

ADS 6.5.2 If an issuer proposes to reorganise its issued capital structure, it must disclose the following information to AIX as soon as possible and allow AIX sufficient time to consider the information and to approve or decline the proposed corporate action: (1) the effect of the proposal on the number of securities in issue; (2) the proposed treatment of fractional entitlements; and (3) the proposed treatment of any convertible securities.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
(iii) exercise of a warrant; (iv) conversion of convertible securities; or (v) redemption of shares or other securities. (3) The disclosure obligation for an event in Rule 13.25A(2)(b) of the Listing Rules only arises where: (a) the event, either individually or when aggregated with any other events described in that rule which have occurred since the listed issuer published its last monthly return under Rule 13.25B of the Listing Rules or last return under this Rule 13.25A (whichever is the later), results in a change of 5% or more of the listed issuer's issued shares; or (b) an event in Rule 13.25A(2)(a) of the Listing Rules has occurred and the event in Rule 13.25A(2)(b) of the Listing Rules has not yet been disclosed in either a monthly return published under Rule 13.25B of the Listing Rules or a return published under this Rule 13.25A.	

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(4) For the purposes of Rule 13.25A(3) of the Listing Rules, the percentage change in the listed issuer's issued shares is to be calculated by reference to the listed issuer's total number of issued shares as it was immediately before the earliest relevant event which has not been disclosed in a monthly return published under Rule 13.25B of the Listing Rules or a return published under this Rule 13.25A.

Rule 13.25B, Listing Rules: Monthly Return

A listed issuer shall, by no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the fifth business day next following the end of each calendar month, submit for publication on the Stock Exchange's website a monthly return in relation to movements in the listed issuer's equity securities, debt securities and any other securitised instruments, as applicable, during the period to which the monthly return relates, in such form and containing such information as the Stock Exchange may from time to time prescribe (irrespective of whether there has been any change in the information provided in its previous monthly return). Such information includes, among other things, the number as at the close of such period of equity securities, debt securities and any other securitised instruments, as applicable, issued and which may be issued pursuant to options, warrants, convertible securities or any other agreements or arrangements.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

3. General Meetings

Rule 13.73, Listing Rules: Notices

In addition to any direction of the court, the issuer shall ensure that notice of every meeting of its shareholders or its creditors concerning the issuer (e.g. for winding up petitions, schemes of arrangement or capital reduction) is published in accordance with Rule 2.07C of the Listing Rules. The issuer shall despatch a circular to its shareholders at the same time as (or before) the issuer gives notice of the general meeting to approve the transaction referred to in the circular. The issuer shall provide its shareholders with any material information on the subject matter to be considered at a general meeting that comes to the directors' attention after the circular is issued. The issuer must provide the information either in a supplementary circular or by way of an announcement in accordance with Rule 2.07C of the Listing Rules not less than 10 business days before the date of the relevant general meeting to consider the subject matter. The meeting must be adjourned before considering the relevant resolution to ensure compliance with this 10 business day requirement by the chairman or, if that is not permitted by the issuer's constitutional documents, by resolution to that effect.

Rule 2.3.6, AIFC Market Rules: Communications with shareholders

(1) The board of issuer must ensure that all necessary information and facilities are available to its shareholders to enable them to exercise the rights attaching to the shares on a well-informed basis.

(2) Without limiting the generality of the obligation in (1), the board must ensure that the shareholders:

(a) are provided with the necessary information relating to the matters to be determined at meetings to enable them to exercise their right to vote, including the proxy forms and notice of meetings; and

(b) have access to any relevant notices or circulars giving information in relation to the rights attaching to the securities.

Chapter MDR 6 (R) and Appendix to Market Disclosure Rules: Table 1

An issuer, other than a listed fund, must on the occurrence of any event that requires shareholder approval or affecting rights of shareholders, as soon as possible, make market disclosure of (a) the nature, details, contents and effect of the relevant event; and (b) any material change affecting any matter contained in an earlier disclosure. (2.3)

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

Rules 13.39(4) and (5), Listing Rules: Meetings of Shareholders

Any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The issuer must announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The issuer must announce the meeting's poll results as soon as possible, but in any event at least 30 minutes before the earlier of either the commencement of the morning trading session or any pre-opening session on the business day after the meeting.

Paragraph F.1 in Appendix C1, Listing Rules: Effective Communication with Shareholders — Effective Communication

The board should be responsible for maintaining an on-going dialogue with shareholders and in particular, use annual general meetings or other general meetings to communicate with them and encourage their participation.

The issuer should ensure that shareholders are given sufficient notice of shareholders meetings and are familiar with the detailed procedures for conducting a poll, and should arrange to address questions from shareholders in the shareholders meeting.

Rule MLR 20.1 (R), Markets Listing Rules: Information and Facilities for Shareholders

MLR 20.1.1 (R) The board of a listed entity must ensure that all the necessary information and facilities are available to its shareholders to enable them to exercise the rights attaching to their securities on a well-informed basis.

MLR 20.1.2 (R) Without limiting the generality of the obligation in Rule MLR 20.1.1, a listed entity must ensure that its shareholders:

(1) are provided with the necessary information relating to the matters to be determined at meetings to enable them to exercise their voting rights, including the proxy forms and notice of meetings; and

(2) have access to any relevant notices or circulars giving information in relation to the rights attached to the securities.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

Rule 2.3.8, AIFC Market Rules: Other matters requiring shareholder approval

(1) The board of an issuer must, subject to (2), ensure that a majority of shareholders in voting approves:

(a) any alteration of the constitutional documents of the issuer including any alteration to the memorandum of association, articles of association, bylaws or any other instrument constituting the issuer;

(b) the appointment or removal of a director of the issuer and the terms of such appointment;

(c) the appointment or removal of the auditor of the issuer; and

(d) the placing of the issuer into voluntary liquidation.

(2) The requirement in (1) does not apply, subject to any requirements in the constitutional documents of the issuer, in relation to the appointment or removal of a director or auditor of an issuer in circumstances where the immediate appointment or removal is necessary in the interests of the issuer.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

4. Rule 13.23(1), Listing Rules: Notifiable Transactions, Connected Transactions, Takeovers and Share Repurchases

An issuer must announce details of acquisitions and realisations of assets and other transactions required by Chapters 14 and 14A of the Listing Rules and, where applicable, must circularise holders of its securities with their details and obtain their approval of them.

Rules 14.05, 14.06 and 14.07, Listing Rules: Classification

A listed issuer considering a transaction must, at an early stage, consider whether the transaction falls into one of the classifications set out in Rules 14.06, 14.06B or 14.06C of the Listing Rules. In this regard, the listed issuer must determine whether or not to consult its financial, legal or other professional advisers.

Under Chapter 14 of the Listing Rules, the transaction classification is made by using the percentage ratios set out in Rule 14.07 of the Listing Rules. The classifications are:

(1) share transaction: an acquisition of assets (excluding cash) by a listed issuer where the consideration includes securities for which listing will be sought and where all percentage ratios are less than 5%;

(2) discloseable transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23 of the Listing Rules) by a listed issuer where any percentage ratio is 5% or more, but less than 25%;

Rule MDR 6 and Appendix to Market Disclosure Rules: Table 1

An issuer, other than a listed fund, must on the occurrence of transactions undertaken which could result in:

(a) any significant investment (i.e. any investments equal to or greater than 5% of the value of the net assets of the issuer as per its most recent financial reports) or material change to such a significant investment outside the ordinary course of business of the issuer; or

(b) the incurring of any significant debt (being a debt with an amount equal to or greater than 5% of the value of the net assets of the issuer as per its most recent financial reports) outside the usual and ordinary course of business of the issuer,

make market disclosure as soon as possible relating to:

(a) any decision to enter into such a transaction;

(b) any material change or new matter affecting any matter contained in an earlier disclosure; and

(c) a full description of the event, activity or transaction proposed or effected, as the case may be. (3)

Rule ADS 7.5 (R), Admission and Disclosure Standards for issuers: Takeovers

ADS 7.5.1 In the event of a merger or a takeover of the issuer, which results in the securities of the issuer no longer being eligible to maintain an admission to trading, the issuer must contact AIX to agree on a timetable for the removal of the securities.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
(3) major transaction: a transaction or a series of transactions (aggregated under Rules 14.22 and 14.23) by a listed issuer where any percentage ratio is 25% or more, but less than 100% for an acquisition or 75% for a disposal;	
(4) very substantial disposal: a disposal or a series of disposals (aggregated under Rules 14.22 and 14.23 of the Listing Rules) of assets (including deemed disposals referred to in Rule 14.29 of the Listing Rules) by a listed issuer where any percentage ratio is 75% or more;	
(5) very substantial acquisition: an acquisition or a series of acquisitions (aggregated under Rules 14.22 and 14.23 of the Listing Rules) of assets by a listed issuer where any percentage ratio is 100% or more;	
(6) reverse takeover: an acquisition or a series of acquisitions of assets by a listed issuer which, in the opinion of the Stock Exchange, constitutes, or is part of a transaction or arrangement or series of transactions or arrangements which constitute, an attempt to achieve a listing of the acquisition targets (as defined in the Listing Rules) to be acquired and a means to circumvent the requirements for new applicants set out in Chapter 8 of the Listing Rules.	

The Listing Rules and Hong Kong Laws

The relevant category that a transaction falls under depends on the following percentage ratios computed on the following bases:

(1) assets ratio: the total assets which are the subject of the transaction divided by the total assets of the listed issuer;

(2) profits ratio: the profits attributable to the assets which are the subject of the transaction divided by the profits of the listed issuer;

(3) revenue ratio: the revenue attributable to the assets which are the subject of the transaction divided by the revenue of the listed issuer;

(4) consideration ratio: the consideration divided by the total market capitalisation of the listed issuer. The total market capitalisation is the average closing price of the listed issuer's securities as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the transaction; and

(5) equity capital ratio: the number of shares to be issued by the listed issuer as consideration divided by the total number of the listed issuer's issued shares immediately before the transaction.

AIX Business Rules and AIFC Market Rules

Glossary and Interpretation

GLO 1.1

Takeover means the acquisition of a controlling stake of an issuer by:

(a) another issuer listed on the AIX;

(b) another issuer listed on the AIFC AMI;

(c) another issuer on a regulated exchange;

(d) a private corporation, whether from the AIFC or international.

Note: Takeover is one of the circumstances, which may warrant the delisting of securities by the AIX. Please see MLR 19.7 (Market Listing Rules).

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
Rule 14.34, Listing Rules: Notification and Announcement As soon as possible after the terms of a share transaction, discloseable transaction, major transaction, very substantial disposal, very substantial acquisition or reverse takeover have been finalised, the listed issuer must in each case publish an announcement as soon as possible. **Rules 14.38A to 14.57, Listing Rules: Additional Requirements for Major Transaction, Very Substantial Disposal, Very Substantial Acquisition, Reverse Takeover** For a major transaction, very substantial disposal and very substantial acquisition, the shareholders' approval is required, while the approvals from both the shareholders and the Stock Exchange are required for reverse takeover.	

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
5. Rule 13.25, Listing Rules: Winding-up and Liquidation (1) An issuer shall inform the Stock Exchange and publish an announcement of the happening of any of the following events as soon as it comes to its attention: (a) the appointment of a receiver or manager either by any court having jurisdiction or under the terms of a debenture or any application to any court having jurisdiction for the appointment of a receiver or manager, or equivalent action in the country of incorporation or other establishment, in respect of the business or any part of the business of the issuer or the property of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Listing Rules;	**Chapter MDR 6 (R) and Appendix to Market Disclosure Rules: Table 1** An issuer, other than a listed fund, must on the occurrence of any of the following: (a) the presentation of any winding-up petition, the making of any winding-up order or the appointment of an administrator, liquidator or the commencement of any proceedings under any applicable insolvency laws in respect of the issuer or any member of its group[1]; or (b) the passing of any resolution by the issuer or any member of its group that it be wound up by way of members' or creditors' voluntary winding-up, or the occurrence of any event or termination of any period of time which would cause a winding-up make market disclosure as soon as possible relating to: (a) time and date of the presentation, details of the order, appointment, resolution or other event; (b) identity of the petitioner or other person at whose instigation the event occurs; (c) court or tribunal responsible for making any order; or (d) administrator or liquidator appointed, as is relevant. (8)

[1] Group means a group of entities which includes any entity (the "**first entity**") and: (a) any parent of the first entity; and (b) any subsidiary of the first entity or of any parent of the first entity.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
(b) the presentation of any winding-up petition, or equivalent application in the country of incorporation or other establishment, or the making of any winding-up order or the appointment of a provisional liquidator, or equivalent action in the country of incorporation or other establishment, against or in respect of the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Listing Rules;	
(c) the passing of any resolution by the issuer, its holding company or any subsidiary falling under Rule 13.25(2) of the Listing Rules that it be wound up by way of members' or creditors' voluntary winding-up, or equivalent action in the country of incorporation or other establishment;	
(d) the entry into possession of or the sale by any mortgagee of a portion of the issuer's assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of the Listing Rules; or	

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
(e) the making of any final judgement, declaration or order by any court or tribunal of competent jurisdiction whether on appeal or at first instance which is not subject to any or further appeal, which may adversely affect the issuer's enjoyment of any portion of its assets where the aggregate value of the total assets or the aggregate amount of profits or revenue attributable to such assets represents more than 5% under any of the percentage ratios defined under Rule 14.04(9) of the Listing Rules.	
(2) Rules 13.25(1)(a), (b) and (c) of the Listing Rules will apply to a subsidiary of the issuer if the value of that subsidiary's total assets, profits or revenue represents 5% or more under any of the percentage ratios defined under Rule 14.04(9) of the Listing Rules. For the purpose of this Rule 13.25(2), 100% of that subsidiary's total assets, profits or revenue (as the case may be) or, where that subsidiary itself has subsidiaries, the consolidated total assets, profits or revenue (as the case may be) of that subsidiary is to be compared to the total assets, profits or revenue (as the case may be) shown in the issuer's latest published audited consolidated financial statements irrespective of the interest held in the subsidiary.	

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
6. Rule 13.45, Listing Rules: After Board Meetings	**Chapter MDR 6 (R) and Appendix to Market Disclosure Rules: Table 1**
An issuer shall announce immediately after approval by or on behalf the board of: (1) any decision to declare, recommend or pay any dividend or to make any other distribution on its listed securities, including the rate and amount of the dividend or distribution and the expected payment date; (2) any decision not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in due course; (3) any preliminary announcement of profits or losses for any year, half-year or other period; (4) any proposed change in the capital structure, including any redemption of its listed securities; and (5) any decision to change the general character or nature of the business of the issuer or group.	An issuer, other than a listed fund, must on the occurrence of any resolution passed by the directors of the issuer other than a resolution concerning ordinary business of the issuer, make market disclosure as soon as possible relating to the resolution. (2.7) An issuer, other than a listed fund, must on the occurrence of any of the following: (a) to declare, recommend or pay any dividend or to make any other distribution on the securities; or (b) not to declare, recommend or pay any dividend which would otherwise have been expected to have been declared, recommended or paid in the normal course of events, make market disclosure as soon as possible and in any event within 5 calendar days prior to the record date or the date of expected distribution relating to the decision, including the rate and amount of and record date for the dividend or other distribution or the grounds for the decision in relation to non-payment. (4.1)

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
7. Rule 13.66, Listing Rules: Closure of Books and Record Date	There are no corresponding or similar provisions in AIX Business Rules or AIFC Market Rules dealing with the transfer books and register of members.
(1) An issuer must announce any closure of its transfer books or register of members in respect of securities listed in Hong Kong at least six business days before the closure for a rights issue, or 10 business days before the closure in other cases. In cases where there is an alteration of book closing dates, the issuer must, at least five business days before the announced closure or the new closure, whichever is earlier, notify the Stock Exchange in writing and make a further announcement. If, however, there are exceptional circumstances (e.g. a typhoon) that render the giving of the notification to the Stock Exchange and publication of the announcement impossible, the issuer must comply with the requirements as soon as practicable. Where the issuer decides on a record date without book closure, these requirements apply to the record date.	
(2) An issuer must ensure that the last day for trading in the securities with entitlements falls at least one business day after the general meeting, if the entitlements require the approval of shareholders in the general meeting or are contingent on a transaction that is subject to the approval of shareholders in the general meeting.	

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
8. Chapter 17 of the Listing Rules (Share Schemes) **Rule 17.02, Listing Rules: Adoption of a new scheme**	**Rule ADS 4.3 (R), Admission and Disclosure Standards for issuers: Pre-approval of Recurring Issuances of Equity Securities**
The scheme of a listed issuer (including share award schemes and share option schemes) must be approved by the shareholders of the listed issuer in general meeting.	**ADS 4.3.2 (G)** Securities may be issued as a result of an employee share option scheme, a regular savings scheme or a dividend re-investment plan, or following the exercise of warrants or of conversion rights attaching to a class of convertible securities. The issuer will need to consider its obligations (if any) as a reporting entity to obtain the consent of the securities holders under the AIX Business Rules for such arrangements.
Rule 17.03(3), Rule 17.03B, Rule 17.03C, Listing Rules: Terms of the scheme The total number of shares which may be issued in respect of all options and awards to be granted under the scheme and any other scheme (the "**scheme mandate limit**") must not exceed 10% of the relevant class of shares of the listed issuer in issue as at the date of approval of the scheme (or as at the date of listing in respect of scheme of a new applicant that will become effective only upon its listing). Where the participants of the scheme include service providers, the total number of shares that may be issued in respect of all options and awards to be granted to service providers (the "**service provider sublimit**") must be set within the scheme mandate limit and separately approved by shareholders of the issuer in general meeting. Options or awards lapsed in accordance with the terms of the scheme will not be regarded as utilised for the purpose of calculating the scheme mandate limit (and the service provider sublimit, if any).	**Chapter MLR 11 (R) of AIX Markets Listing Rules: Shares in Public Hands** **MLR 11.1 (R) (3)** For the purposes of Rules MLR 11.1(1) and (2), shares are not held in public hands if they are held, directly or indirectly by: (c) the trustees of an employee share scheme or pension fund established for the benefit of any directors or employees of the applicant and its subsidiary undertakings.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
The listed issuer may seek approval by its shareholders in general meeting for "refreshing" the scheme mandate limit (and the service provider sublimit, if any) under the scheme after three years from the date of shareholders' approval for the last refreshment (or the adoption of the scheme). Any "refreshment" within any three-year period must be approved by shareholders of the issuer subject to the requirements set out in Rules 17.03(C)(1)(b) and (c). The total number of shares which may be issued in respect of all options and awards to be granted under all of the schemes of the listed issuer under the scheme mandate as "refreshed" must not exceed 10% of the relevant class of shares in issue as at the date of approval of the refreshed scheme mandate. The listed issuer must send a circular to its shareholders containing the number of options and awards that were already granted under the existing scheme mandate limit and the existing service provider sublimit (if any), and the reason for the "refreshment".	
	Rule ADS 4.3 (R), Admission and Disclosure Standards for issuers: Pre-Approval of Recurring Issuances of Equity Securities **ADS 4.3.1 (R)** Where an issuer intends to issue equity securities of the same class on a regular basis and where prior approval of the issuer's shareholders has been obtained for such arrangements, an issuer may make an application for the pre-approval of the admission of the entire class of such securities.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

ADS 4.3.2 (G) Securities referred to in this Rule may be issued as a result of an employee share option scheme, a regular savings scheme or a dividend re-investment plan, or following the exercise of warrants or of conversion rights attaching to a class of convertible securities. The issuer will need to consider its obligations (if any) as an issuer to obtain the consent of the securities holders under the AIX Business Rules for such arrangements.

Chapter MLR 17.4 (R) of AIX Markets Listing Rules: Documents to be kept

MLR 17.4.1 (R) (7) An applicant must keep copies of the following documents for six (6) years after the admission to the Official List: in the case of an application in respect of securities issued pursuant to an employee share scheme, the scheme document.

Rule 17.03D(1), Listing Rules: Limit on granting options or awards to individual participants

Where any grant of options or awards to a participant would result in the shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of shares of the listed issuer in issue (the **1% individual limit**), such grant must be separately approved by shareholders of the listed issuer in general meeting with such participant and his/her close associates (or associates if the participant is a connected person) abstaining from voting. The listed issuer must send a circular to the shareholders.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
Rule 17.04, Listing Rules: Granting Options or Awards to a Director, Chief Executive or Substantial Shareholder of a Listed Issuer, or any of their Respective Associates Any grant of options or awards to a director, chief executive or substantial shareholder of a listed issuer, must be approved by the independent non-executive directors of the listed issuer (excluding independent non-executive director who is the grantee of the options or awards). Where any grant of awards (excluding grant of options) to a director (other than an independent non-executive director) or chief executive of the issuer, or any of their associates would result in the shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of shares in issue, such further grant of awards must be approved by shareholders of the listed issuer in general meeting in the manner set out in Rule 17.04(4) of the Listing Rules.	**Chapter MLR 15 (R) of Markets Listing Rules: Warrants** **MLR 15.1(1)** To be admitted to the Official List, the total of all issued warrants to subscribe for shares, if applicable, must not, subject to Rule MLR 15.1(2), exceed 20 per cent of the issued share capital of the applicant as at the time of issue of the warrants. **MLR 15.1(2)** Any rights under an employee share scheme are excluded from the twenty per cent calculation in Rule MLR 15.1(1).

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
Where any grant of options to an independent non-executive director or a substantial shareholder of the listed issuer, or any of their respective associates, would result in the shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the relevant class of securities in issue, such further grant of options or awards must be approved by shareholders of the listed issuer in general meeting in the manner set out in Rule 17.04(4) of the Listings Rules.	
In the circumstances described above, the listed issuer must send a circular to the shareholders. The grantee, his/her associates and all core connected persons of the listed issuer must abstain from voting in favour at such general meeting.	
Rule 17.06A(1), Listing Rules: Announcement on Grant of Options	
As soon as possible upon the granting by the listed issuer of any options or awards under its share scheme, the listed issuer must publish an announcement setting out the following details in Rule 17.06B of the Listings Rules:	
(1) the date of grant;	

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
(2) (a) where disclosure on an individual basis is required, the name of the grantee (and where the grantee is not a natural person, the name of its ultimate beneficial owner) and the relationship between the grantee and the issuer. Where the grantee is a related entity participant or service provider, the nature of services provided to the issuer; or	
(b) where disclosure on an individual basis is not required, a description of each of the categories of grantees;	
(3) the number of options or awards granted;	
(4) the exercise price of the options or purchase price of awards granted;	
(5) the market price of the shares on the date of grant;	
(6) the exercise period of the options;	
(7) the vesting period of the options or awards. In the case of grants of options or awards to employee participants with a shorter vesting period as set out in Rule 17.03F of the Listings Rules, the relevant circumstances that are specifically permitted by the scheme. Where the options or awards are granted to the issuer's directors and/or senior managers, the remuneration committee's views on why a shorter vesting period is appropriate;	

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(8) a description (which may be qualitative) of the performance targets attached to the options or awards granted, if any, and the clawback mechanism for the issuer to recover or withhold any awards or options granted, if any. Where options or awards are granted to the issuer's directors and/or senior managers without performance targets and/or clawback mechanism, the views of the remuneration committee on why performance targets and/or a clawback mechanism is/are not necessary and how the grants align with the purpose of the scheme;

(9) where options or awards are granted to a service provider or a related entity participant, the reasons for the grant and the views of the board how the grant aligns with the purpose of the scheme; and

(10) arrangements, if any, for the issuer or any of its subsidiaries to provide financial assistance to the grantee(s) to facilitate the purchase of shares under the scheme.

The announcement must also disclose the number of shares available for future grant under the scheme mandate and the service provider sublimit (if applicable).

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
9. Rules 13.46 to 13.50, Listing Rules: **Disclosure of Financial Information** **Distribution of annual report and accounts** An issuer is required to send (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), a copy of either (a) its annual report including its annual accounts and, where the issuer prepares consolidated financial statements referred to in section 379(2) of the Companies Ordinance, the consolidated financial statements, together with a copy of the auditors' report thereon or (b) its summary financial report, not less than 21 days before the date of the issuer's annual general meeting and in any event not more than four months after the end of the financial year to which they relate. **Interim reports** In respect of the first six months of each financial year of an issuer unless that financial year is of six months or less, the issuer shall send to (i) every member of the issuer; and (ii) every other holder of its listed securities (not being bearer securities), either (a) an interim report, or (b) a summary interim report not later than three months after the end of that period of six months. The issuer may send a copy of its summary interim report to a member and a holder of its listed securities in place of a copy of its interim report, provided that such summary interim report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.	Issuers are obliged to prepare and disclose preliminary financial results, annual and semi-annual financial reports (statements). There are requirements as to period, auditing and signing of such reports. Below are the relevant excerpts. **Chapter MDR 6 (R) and Appendix to Market Disclosure Rules: Table 1** An issuer, other than a listed fund, must make market disclosure relating to: (a) an annual report prepared in accordance with the requirements in AIFC Market Rules 3.2 and 3.4.1(2) — no later than 150 days after the end of the financial period, (6.1) (b) semi-annual report prepared in accordance with the relevant requirements set out in AIFC Market Rules 3.3 and 3.4.1(2) — as soon as possible and in any event no later than 75 days after the end of the period to which the report relates. (6.2)

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
Preliminary announcements of results — Full financial year An issuer shall publish its preliminary results in respect of each financial year as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than three months after the end of the financial year. **Preliminary announcements of results — First half of the financial year** The issuer shall publish a preliminary announcement in respect of its results for the first six months of each financial year, unless that financial year is of six months or less, as soon as possible, but in any event not later than the time that is 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the next business day after approval by or on behalf of the board. The issuer must publish such results not later than two months after the end of that period of six months.	**Chapter 3 of AIFC Market Rules: Financial Reports** **Rule 3.1, AIFC Market Rules: Core obligations** **3.1.1 Obligation to prepare financial statements and reports** An issuer must: (a) prepare and maintain all financial statements in accordance with the International Financial Reporting Standards (IFRS) or other financial reporting standards acceptable to the AFSA; (b) prepare and file an annual report which meets the requirements in MAR 3.2 for each financial year of the issuer; and (c) in addition to the annual report, prepare and file a semi-annual report which meets the requirements in MAR 3.3.1 in respect of shares, warrants or certificates over shares. **3.1.2 Audit of annual financial statements** The annual financial statements of an issuer must be audited by an independent, competent and qualified auditor in accordance with the International Standards on Auditing as issued by the International Auditing and Assurance Standards Board ("**IAASB**") or other standards acceptable to the AFSA.

The Listing Rules and Hong Kong Laws

Rule 4.03, Listing Rules: Reporting Accountants

Reporting accountants must be independent both of the issuer and of any other company concerned to the same extent as that required of an auditor under the Companies Ordinance and in accordance with the requirements on independence issued by the Hong Kong Institute of Certified Public Accountants or the International Federation of Accountants. Subject to rules 4.03(1) and 4.03(2), accountants' reports must normally be prepared by practising accountants who are registered and not prohibited under the AFRCO from holding any appointment as auditors of a company.

AIX Business Rules and AIFC Market Rules

Rule 3.2, AIFC Market Rules: Annual Report

3.2.2 Signing of the annual report

The annual report must be signed by at least two directors of the issuer or approved by a body competent to decide on such matters under the issuer's constitutive documents and/or applicable law.

Rule 3.3, AIFC Market Rules: Semi-annual report

Rule 3.3.1, AIFC Market Rules: Preparation of the semi-annual report

An issuer to which the obligation in MAR 3.1.1(c) applies must prepare a semi-annual report:

(a) for the first six months of each financial year or period; and if there is a change to the accounting reference date, prepare such report in respect of the period up to the old accounting reference date; and

(b) in accordance with the applicable IFRS standards or other standards acceptable to the AFSA.

Rule 3.3.3, AIFC Market Rules: Signing of the semi-annual report

A semi-annual report must be signed by at least two directors of the issuer or approved by a body competent to decide on such matters under the issuer's constitutive documents and/or applicable law.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

Rule 3.4, AIFC Market Rules: Disclosure of annual and semi-annual reports

Rule 3.4.1, AIFC Market Rules: Obligation to make market disclosure

(1) Where an issuer is required by to prepare any of the following reports:

(a) its annual report;

(b) its semi-annual report,

it must do so in the time periods specified in MAR 3.4.2.

Rule 3.4.2, AIFC Market Rules: Time period for making market disclosure

(1) An issuer must disclose its required annual and semi-annual reports within the following time periods:

(a) in relation to its annual report: as soon as possible after the financial statements have been approved, but no later than 150 days after the end of the financial period; and

(b) in relation to its semi-annual report: as soon as possible and in any event no later than 75 days after the end of the period to which the report relates.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

Rule 3.5, AIFC Market Rules: Accounting periods

Rule 3.5.1, AIFC Market Rules: Accounting reference date

(1) An issuer must not change its accounting reference date as specified in its most recent prospectus unless it has obtained the prior approval of the AFSA in accordance with the requirements in (b).

(2) An issuer that proposes to change its accounting reference date must:

(a) notify the AFSA of its proposal at least 28 business days prior to making such a change; and

(b) obtain the AFSA prior approval for the proposed change.

Rule 3.5.2, AIFC Market Rules: Disclosure of changes to accounting reference date

An issuer must, where there is a change to its accounting reference date, disclose to the market:

(a) the change to its accounting reference date as soon as possible; and

(b) if it is an issuer in relation to shares, a second interim report within six months of the old accounting reference date if the change of the accounting reference date extends the annual accounting period to more than **14** months.

Chapter MDR 6 (R) and Appendix to Market Disclosure Rules: Table 1

An issuer must disclose to the market matters relating to financial information, including filing of an annual, semi-annual reports, change to accounting reference date. (6)

The Listing Rules and Hong Kong Laws

10. Public Float Requirement Rules (Qualifications for listing)

Rule 8.08(1), Listing Rules: Qualifications for listing

Save and except for the circumstances specified under Chapter 8 of the Listing Rules, an issuer must maintain at least 25% of its total number of issued shares at all times be held by the public.

AIX Business Rules and AIFC Market Rules

Chapter MLR 11 (R) of Markets Listing Rules: Shares in Public Hands

MLR 11.1 (R) (1) If an application is made for the admission of a class of shares, a sufficient number of shares of that class must, no later than the time of admission, be distributed to the public.

MLR 11.1 (R) (2) For the purposes of (1), a sufficient number of shares will be taken to have been distributed to the public when at least 25 per cent of the shares for which application for admission has been made are in public hands. However, AIX reserves the right to decrease this minimum amount, should it decide in its discretion to do so.

MLR 11.1 (R) (3) For the purposes of Rules MLR 11.1(1) and (2), shares are not held in public hands if they are held, directly or indirectly by:

(a) a director of the applicant or of any of its subsidiary undertakings; (b) a person connected with a director of the applicant or any of its subsidiary undertakings; (c) the trustees of an employee share scheme or pension fund established for the benefit of any directors or employees of the applicant and its subsidiary undertakings; (d) any person who under any agreement has a right to nominate a person to the board of directors of the applicant; (e) any person or persons in the same group or persons acting in concert who have an interest in 5% or more of the shares of the relevant class; or (f) if they are subject to a lock up period of more than 180 (one hundred and eighty) calendar days.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

MLR 11.2 (R) The AIX may waive or modify Rule MLR 11.2(2) to accept a percentage lower than 25 per cent if it considers that the market will operate properly with a lower percentage in view of additional factors. Such additional factors might permit, for example, a lower percentage than 25% for a company with a large market capitalisation with a large number of shares of the same class listed and where such shares would nonetheless expect to have a wide distribution to the public and be liquid.

Chapter MLR 19 (R) of Markets Listing Rules: Suspending, Delisting and Restoring a Listing

MLR 19.7.2 (G) In Rule MLR 19.7.1, an example of a breach of the continuing obligations, which may require a delisting by the AIX would be where the percentage of shares or certificates over shares in public hands falls below 25% or a lower percentage permitted by the AIX. The AIX may, however, allow a reasonable time to restore the required percentage unless this is precluded by the need to maintain the smooth operation of the market or to protect investors.

Chapter MLR 20 (R) of Markets Listing Rules: Continuing Obligations

MLR 20.2.1 A listed entity must endeavour to ensure that a sufficient number of its shares including certificates over shares are in circulation with the public at all times.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
11. Shareholders Reporting Obligations **Part XV of the SFO: Disclosure of Interests by Substantial Shareholders** The Listing Rules require that the interests held by directors and chief executives and substantial shareholders (i.e. shareholders interested in 10% or more of the voting power) be disclosed in annual reports, interim reports and circulars of the listed company. The SFO and the Outline of Part XV of the SFO Disclosure of Interests ("**Outline**") issued by the SFC provides that a substantial shareholder (i.e. shareholder interested in 5% or more of any class of voting shares in a listed company) is required to disclose his interest, and short positions, in the shares of the listed company, within 10 business days after first becoming a substantial shareholder, or to disclose his changes in percentage figures of his shareholdings in the listed company or ceasing to be a substantial shareholder within three business days after becoming aware of the relevant events. Please refer to Section 2.7 of the Outline for examples of relevant events.	There is no definition of "substantial shareholder" in AIX Business Rules or AIFC Market Rules. See section 13 below for a definition of a "connected person".

The Listing Rules and Hong Kong Laws

12. Part XV of the SFO: Disclosure of Interests by Directors and Chief Executives

A director or a chief executive of a listed company is required to disclose his interest and short position in any shares in a listed company (or any of its associated companies) and his interest in any debentures of the listed company (or any of its associated companies) within 10 business days after becoming a director or chief executive of the listed company or within three business days after becoming aware of the relevant events.

If a person is both a substantial shareholder and a director of the listed company concerned under the SFO, such person may have separate duties to file notices (one in each capacity) as a result of a single event. For example, a person who is interested in 5.9% of the shares of a listed company and buys a further 0.2% will have to file a notice because he is a director (and therefore has to disclose all transactions) and will also have to file a notice as a substantial shareholder because his interest has crossed the 6.0% level.

AIX Business Rules and AIFC Market Rules

Chapter MDR 3 of Market Disclosure Rules: Disclosure of interests by connected persons

MDR 3.1 (G) AIX requires certain persons connected to an issuer to file with AIX and the issuer a report in accordance with the requirements prescribed in the Rules.

(R) Application

This section applies to a connected person of an issuer in respect of equity securities.

Rule MDR 3.2 (R), Market Disclosure Rules: Definitions

(1) A person is hereby prescribed as a connected person of an issuer if that person:

  (a) is a director or an individual involved in the senior management of either:

    (i) the issuer; or

    (ii) a controller of the issuer; or

  (b) owns, whether legally or beneficially, or controls, whether directly or indirectly, voting equity securities carrying more than 5% of the voting rights attaching to all the voting equity securities of either:

    (i) the issuer; or

    (ii) a controller of the issuer.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
	(2) In (1), a person is a controller of an issuer if that person (the first person), either alone or with his/her associates, controls the majority of the voting rights in, or the right to appoint or remove the majority of the board of directors of, the issuer or any person who has similar control over the first person, including an ultimate controller of the first person. (3) For the purposes of determining whether a person: (a) owns or controls voting equity securities in (1)(b); or (b) controls the voting rights in or the right to appoint or remove the majority of the board of directors of an issuer or a controller of an issuer in (2), any equity securities held by that person and his/her associates, including those in which that person or an associate of that person has a beneficial interest, are deemed as his/her equity securities except as specified in (4). (4) For the purposes of (3), equity securities are not deemed as his/her equity securities where: (a) any such equity securities are held by that person on behalf of another person who is not an associate of that person; and

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(b) the person does not have control over the voting rights attaching to the equity securities because some other person exercises those rights or manages those equity securities on a discretionary basis.

(5) A person is not a connected person of an issuer merely by reason that:

(a) its structured products are admitted to trading on an authorised market institution; or

(b) such person:

(i) owns or holds voting equity securities solely in its capacity as trustee, nominee or custodian under an agreement to hold such equity securities; and

(ii) does not exercise any voting or other rights associated with the equity securities except in accordance with the express instructions of the owner of the equity securities or in accordance with the agreement in (i).

Rule MDR 3.3 (R), Market Disclosure Rules: Events that Trigger a Report

MDR 3.3.1 A connected person must file the report required by the AIX and the issuer within 5 business days of the occurrence of any of the events prescribed in Rule MDR 3.3.2 and 3.3.3 and file such report also with the AFSA.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

MDR 3.3.2 In the case of a person who is a connected person under Rule MDR 3.2(1)(a), that person must file the report:

(a) upon becoming or ceasing to be a director of a controller of the issuer;

(b) upon acquiring or ceasing to hold either alone or with an associate of the person any securities or other investments in or relating to the issuer or a controller of the issuer; and

(c) upon any increase or decrease of the level of an interest referred to in (b).

MDR 3.3.3 In the case of a person who is a connected person under Rule MDR 3.2(1)(b), that person must file the report:

(a) upon acquiring or ceasing to hold voting equity securities carrying more than 5% of the voting rights attaching to all voting equity securities of either the issuer or a controller of the issuer; and

(b) upon an increase or decrease of at least 1% of the level of interest previously reported pursuant to (a).

Rule MDR 3.3.4, Market Disclosure Rules: Derivatives giving entitlement to equity securities

For the purposes of Rules MDR 3.2 and 3.3, a person is taken to hold equity securities or investments in or relating to an issuer, if the person holds a derivative or any other financial instrument that on its maturity will confer on him/her:

(a) an unconditional right to acquire the equity security or investment; or

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(b) the discretion as to his/her right to acquire the equity security or investment.

Rule MDR 3.5 (R), Market Disclosure Rules: Market disclosure

Upon a connected person filing a report with the issuer, the issuer must, as soon as possible and in any event no later than 3 business days following the filing, make market disclosure of that report in accordance with Rule MDR 7.

Chapter MDR 4 (R) of Market Disclosure Rules: Disclosure of Directors' material interests

MDR 4.1 (G) AIX requires directors with a material interest in the issuer to give a notice relating to that interest in accordance with the requirements prescribed in the Rules.

(R) Application

This section applies to every issuer other than that of a listed fund.

Rule MDR 4.2 (R), Market Disclosure Rules: Definition of a material interest

A director of an issuer has a material interest in the issuer if that person has any interest arising through:

(a) the direct or indirect ownership of, or beneficial ownership of, investments in the issuer; or

(b) any involvement in financial or commercial arrangement with or relating to the issuer.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

Rule MDR 4.3 (R), Market Disclosure Rules: Contents and procedures relating to the notice

MDR 4.3.1 (R) Subject to Rule MDR 4.3.2, a notice relating to a material interest must be given by a person referred to in Rule MDR 4.2, to the other directors of the issuer within 5 business days of the material interest arising or changing.

MDR 4.3.2 (R) A person referred to in Rule MDR 4.3.1 need not give a notice relating to a material interest if the material interest is required to be included in a report which that person must provide by virtue of being a connected person under Rule MDR 3 and the person has complied with the requirement mentioned in that section.

MDR 4.3.3 (R) A notice relating to a material interest must contain:

(a) the name and address of the person giving the notice; and

(b) the details relating to the material interest, including the date on which the material interest arose or changed.

Rule MDR 4.4 (R), Market Disclosure Rules: Market disclosure

Upon receiving a notice relating to a material interest, the issuer must, as soon as possible, make market disclosure of that report in accordance with Rule MDR 7.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
	Chapter MDR 6 (R) and Appendix to of Market Disclosure Rules: Table 1 An issuer, other than a listed fund, must disclose to the market matters relating to interests, including a report filed by a connected person[2], notice of director's material interest. (5)
13. Restrictions and notification requirements on issuers purchasing their own shares on a stock exchange **Rule 10.05, Listing Rules**	**Rule 2.3.4, AIFC Market Rules: Reduction of share capital**
Subject to the provisions of the Code on Share Buy-backs, approved by the SFC and as amended from time to time, an issuer may purchase its shares on the Stock Exchange or on another stock exchange recognised for this purpose by the SFC and the Stock Exchange. All such purchases must be made in accordance with Rule 10.06 of the Listing Rules. The Code on Share Buy-backs must be complied with by an issuer and its directors and any breach thereof by an issuer will be a deemed breach of the Listing Rules and the Stock Exchange may in its absolute discretion take such action to penalise any breach of this paragraph or the listing agreement as it shall think appropriate. It is for the issuer to satisfy itself that a proposed purchase of shares does not contravene the Code on Share Buy-backs.	The board of an issuer must ensure that an issuer does not reduce its share capital unless: (a) the reduction does not materially prejudice the issuer's ability to pay its creditors; (b) a public disclosure is made as soon as possible of any proposed change in its capital structure, and, following the redemption of listed shares, if any, information on such redemption including details of the number of shares redeemed and the number of shares of that class outstanding following the redemption.

[2] Connected person is (a) a director or an individual involved in the senior management of either the issuer or a controller of the issuer; (b) owns, whether legally or beneficially, or controls, whether directly or indirectly, voting securities carrying more than 5% of the voting rights attaching to all the voting securities of either the issuer or a controller of the issuer.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
Rule 10.06, Listing Rules	**Rule MLR 20.4, Markets Listing Rules: Purchase of own Shares**
An issuer whose primary listing is on the Stock Exchange may only purchase its shares on the Stock Exchange, either directly or indirectly, if the shares proposed to be purchased are fully-paid up, the issuer has previously sent to the shareholders an Explanatory Statement (as defined in the Listing Rules) complying with the provisions of Rule 10.06(1)(b) of the Listing Rules and that the shareholders of the issuer have given specific approval or a general mandate to the directors to make such a purchase(s), provided that the amount of shares so purchased under the general mandate shall not exceed 10% of the number of issued shares of the issuer as at the date of the passing of the relevant shareholders' resolution granting the mandate of purchase.	**MLR 20.4.1 (G)** Compliance with the Rules in this section in conjunction with Part 5 of the AIFC Market Rules may provide a safe harbour from the AIFC Market Abuse offences. **MLR 20.4.2 (R)** A listed entity that intends the purchase of its own shares may not take any action with respect thereto that would result in unequal treatment of security holders or market participants. Specifically, the issuer must comply with the following rules: (1) the price paid by the issuer for the repurchase of its shares must not be higher than five (5) per cent above the average market value of the issuer's shares for the five (5) business days prior to the commencement of the share repurchase programme; and (2) a pre-arranged trade is not permitted where the seller is a director or officer of the issuer or an associate of a director or officer of the issuer. **MLR 20.4.3 (R) (1)** The decision by the listed entity to purchase its own shares (either itself or through a person acting in his/her own name but on the issuer's behalf) must be announced to the market as soon as possible after such decision is made, and in any event by not later than the close of the next business day.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

Rule 10.06(1)(b), Listing Rules: Explanatory statement

For the purpose of obtaining shareholders' approval, the issuer must have previously sent to its shareholders an Explanatory Statement (at the same time as the notice of the relevant shareholders' meeting) containing all the information reasonably necessary to enable those shareholders to make an informed decision on whether to vote for or against the ordinary resolution to approve the purchase by the issuer of shares including the information set out below:

(1) a statement of the total number and description of the shares which the issuer proposes to purchase;

(2) a statement by the directors of the reasons for the proposed purchase of shares;

(3) a statement by the directors as to the proposed source of funds for making the proposed purchase of shares, which shall be funds legally available for such purposes in accordance with the issuer's constitutive documents and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;

MLR 20.4.3 (R) (2) The announcement in Rule MLR 20.4.3(1) must set out whether the proposal relates to: (a) specific purchases and if so, names of the persons from whom the purchases are to be made; or (b) a general authorisation to make the purchases.

MLR 20.4.4 (R) (1) Any purchase of a listed entity's own shares by or on behalf of the listed entity or any other member its group must be disclosed to the market as soon as possible.

MLR 20.4.4 (R) (2) The disclosure in Rule MLR 20.4.4(1) must include: (a) the date of purchase; (b) the number of shares purchased; (c) where relevant, the highest and lowest purchase prices paid; (d) the number of shares purchased for cancellation and the number of shares purchased to be held as treasury shares; and (e) where the shares were purchased to be held as treasury shares, a statement of: (i) the total number of treasury shares of each class held by the listed entity following the purchase and non-cancellation of such shares; and (ii) the number of shares of each class that the listed entity has outstanding less the total number of treasury shares of each class held by the listed entity following the purchase and non-cancellation of such shares.

MLR 20.4.5 (G) (1) In Rule MLR 20.4.4(2), "treasury shares" means shares which are: (a) admitted to the Official List; (b) held by the same company which issued the shares; and (c) purchased by the company in (b) using its distributable profits.

The Listing Rules and Hong Kong Laws

(4) a statement as to any material adverse impact on the working capital or gearing position of the issuer (as compared with the position disclosed in its most recent published audited accounts) in the event that the proposed purchases were to be carried out in full at any time during the proposed purchase period, or an appropriate negative statement;

(5) a statement of the name of any directors, and to the best of the knowledge of the directors having made all reasonable enquiries, any close associates of the directors, who have a present intention, in the event that the proposal is approved by shareholders, to sell shares to the issuer, or an appropriate negative statement;

(6) a statement that the directors will exercise the power of the issuer to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and the laws of the jurisdiction in which the issuer is incorporated or otherwise established;

(7) a statement as to the consequences of any purchases which will arise under the Takeovers Code of which the directors are aware, if any;

AIX Business Rules and AIFC Market Rules

Rule 2.3, AIFC Market Rules: Directors duties and fair treatment of shareholders

Guidance: Directors duties and fair treatment of shareholders

Where a person referred to in MAR 2.3.1 is required under any legislation applicable to such a person to comply with a similar or more stringent requirement than the requirements in this section, compliance with those other requirements would be sufficient compliance for the purposes of the relevant requirement in this section. For example, in the case of a reduction of share capital, more stringent procedures such as a special resolution (i.e. a vote of at least 75% of the shareholders in voting), may be required under the company law or other legislation applicable to an issuer in its jurisdiction of incorporation.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules

(8) a statement giving details of any purchases by the issuer of shares made in the previous six months (whether on the Hong Kong Stock Exchange or otherwise) giving the date of each purchase and the purchase price per share or the highest and lowest prices paid for such purchases, where relevant;

(9) a statement as to whether or not any core connected persons of the issuer have notified the issuer that they have a present intention to sell shares to the issuer or have undertaken not to sell any of the shares held by them to the issuer, in the event that the issuer is authorised to make purchases of shares;

(10) a statement giving the highest and lowest prices at which the relevant shares have traded on the Stock Exchange during each of the previous 12 months;

(11) the disclaimer of the Stock Exchange in the form set out under the Listing Rules; and

(12) a statement that neither the Explanatory Statement nor the proposed share repurchase has any unusual features.

Rule 10.06(2), Listing Rules: Dealing Restrictions

The buy-back of shares by an issuer is subject to various dealing restrictions, including, among others, that an issuer shall not purchase its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
Rule 10.06(4), Listing Rules: Reporting Requirements (a) An issuer shall submit for publication to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the business day following any day on which the issuer makes a purchase of shares (whether on the Hong Kong Stock Exchange or otherwise), the total number of shares purchased by the issuer the previous day, the purchase price per share or the highest and lowest prices paid for such purchases, where relevant, and shall confirm that those purchases which were made on the Stock Exchange were made in accordance with the Listing Rules and if the issuer's primary listing is on the Hong Kong Stock Exchange, that there have been no material changes to the particulars contained in the Explanatory Statement. In respect of purchases made on another stock exchange, the issuer's report must confirm that those purchases were made in accordance with the domestic rules applying to purchases on that other stock exchange. Such reports shall be made on a return in such form and containing such information as the Stock Exchange may from time to time prescribe. In the event that no shares are purchased on any particular day then no return need be made to the Stock Exchange. The issuer should make arrangements with its brokers to ensure that they provide to the issuer in a timely fashion the necessary information to enable the issuer to make the report to the Stock Exchange.	

The Listing Rules and Hong Kong Laws	AIX Business Rules and AIFC Market Rules
(b) An issuer shall also include in its annual report and accounts a monthly breakdown of purchases of shares made during the financial year under review showing the number of shares purchased each month (whether on the Stock Exchange or otherwise) and the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid by the issuer for such purchases. The directors' report shall contain reference to the purchases made during the year and the directors' reasons for making such purchases.	
15. Solicitation for Proxy	**Proxy Solicitation**
Investors holding securities in listed companies listed on Stock Exchange through CCASS who want to attend the shareholders' meetings in person or appoint proxies to vote on their behalf must make a request through their broker firms or directly to CCASS (as the case may be) to authorise the investors as corporate representatives or proxies of Hong Kong Securities Clearing Company Limited Nominees (or any successor thereto) in respect of such shareholding of the investors in the listed companies.	**Rule 2.3.7, AIFC Market Rules: Proxy solicitation** The board of an issuer must ensure that for each meeting at which shareholders are eligible to exercise voting rights attaching to their securities, each shareholder is given the right and means to vote by proxy.

ISSUANCE OF NEW SHARES, CONVERTIBLE BONDS OR BONDS WITH WARRANTS

1. **Sections 140 and 141, Companies Ordinance: Allotment and Issue of Shares**

   The directors of a company may exercise a power (i) to allot shares in the company; or (ii) to grant rights to subscribe for, or to convert any security into, shares in the company, only if the company gives approval in advance by resolution of the company.

   Rules 13.36(1) to (3), Listing Rules: Pre-emptive rights

   Except in the circumstances mentioned in Rule 13.36(2) of the Listing Rules:

   (a) the directors of the issuer shall obtain the consent of shareholders in general meeting prior to allotting, issuing or granting: (i) shares; (ii) securities convertible into shares; or (iii) options, warrants or similar rights to subscribe for any shares or such convertible securities; and

There are no corresponding or similar provisions in AIX Business Rules or AIFC Market Rules dealing with powers of directors to issue shares.

Rule 2.3.5, AIFC Market Rules: Pre-emption rights

The board of an issuer must, except where otherwise provided in the constituent documents of the issuer, ensure that an issuer provides pre-emption rights under which, on an issue of shares by the issuer for cash, the shareholders of the issuer are offered any shares to be issued in proportion to their existing holdings prior to the shares being offered to third parties, unless there is prior approval of the issue of shares without pre-emption rights by shareholders in meeting, by a majority vote.

(b) the directors of the issuer shall obtain consent of the shareholders in general meeting prior to allotting any voting shares if such allotment would effectively alter the control of the issuer.

No such consent as is referred to in Rule 13.36(1)(a) of the Listing Rules shall be required:

(a) for the allotment, issue or grant of such securities pursuant to an offer made to the shareholders of the issuer which excludes for that purpose any shareholder that is resident in a place outside Hong Kong provided the directors of the issuer consider such exclusion to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place and, where appropriate, to holders of other equity securities of the issuer entitled to be offered them, pro rata (apart from fractional entitlements) to their existing holdings; or

(b) if, but only to the extent that, the existing shareholders of the issuer have by ordinary resolution in general meeting given a general mandate to the directors of the issuer, either unconditionally or subject to such terms and conditions as may be specified in the resolution, to allot or issue such securities or to grant any offers, agreements or options which would or might require securities to be issued, allotted or disposed of, whether during the continuance of such mandate or thereafter, subject to a restriction that the aggregate number of securities allotted or agreed to be allotted must not exceed the aggregate of (i) 20% of the number of issued shares of the issuer as at the date of the resolution granting the general mandate (or in the case of a scheme of arrangement involving an introduction in the circumstances set out in Rule 7.14(3) of the Listing Rules, 20% of the number of issued shares of an overseas issuer following the implementation of such scheme) and (ii) the number of such securities repurchased by the issuer itself since the granting of the general mandate (up to a maximum number equivalent to 10% of the number of issued shares of the issuer as at the date of the resolution granting the repurchase mandate), provided that the existing shareholders of the issuer have by a separate ordinary resolution in general meeting given a general mandate to the directors of the issuer to add such repurchased securities to the 20% general mandate.

A general mandate given to directors to issue and allot shares under Rule 13.36(2) of the Listing Rules shall only continue in force until (a) the conclusion of the first annual general meeting of the issuer following the passing of the resolution at which time it shall lapse unless, by ordinary resolution passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; or (b) revoked or varied by ordinary resolution of the shareholders at general meeting, whichever occurs first.

2. **Rule 13.36(5), Listing Rules: Placing of Securities for Cash**

In the case of a placing or open offer of securities for cash consideration, the issuer may not issue any securities pursuant to a general mandate given under Rule 13.36 (2)(b) of the Listing Rules if the relevant price represents a discount of 20% or more to the benchmarked price of the securities, such benchmarked price being the higher of:

(a) the closing price on the date of the relevant placing agreement or other agreement involving the proposed issue of securities under the general mandate; and

Chapter ADS 4 (R) of Admission and Disclosure Standards for issuers: Requirements for Admission: Specific Securities

ADS 4.1.6 (G) For warrants, an issuer must confirm that the class of securities to which the warrants relate is trading on AIX or has a primary listing on another exchange.

Rule ADS 4.3.2 (G), Admission and Disclosure Standards

ADS 4.3.2 (G) Securities may be issued as a result of an employee share option scheme, a regular savings scheme or a dividend re-investment plan, or following the exercise of warrants or of conversion rights attaching to a class of convertible securities. The issuer will need to consider its obligations (if any) as a reporting entity to obtain the consent of the securities holders under the AIX Business Rules for such arrangements.

Chapter MLR 15 (R) of Markets Listing Rules: Warrants

MLR 15.1 (R) (1) To be admitted to the Official List, the total of all issued warrants to subscribe for shares, if applicable, must not, subject to Rule MLR 15.1(2), exceed 20 per cent of the issued share capital of the applicant as at the time of issue of the warrants.

MLR 15.1 (R) (2) Any rights under an employee share scheme are excluded from the twenty per cent calculation in Rule MLR 15.1(1).

(b) the average closing price in the five trading days immediately prior to the earlier of:

(i) the date of the announcement of the placing or the proposed transaction or arrangement involving the proposed issue of securities under the general mandate;

(ii) the date of the placing agreement or other agreement involving the proposed issue of securities under the general mandate; and

(iii) the date on which the placing or subscription price is fixed,

unless the issuer can demonstrate that it is in a serious financial position and that the only way it can be saved is by an urgent rescue operation which involves the issue of new securities at a price representing a discount of 20% or more to the benchmarked price of the securities or that there are other exceptional circumstances. The issuer shall provide the Hong Kong Stock Exchange with detailed information on the allottees to be issued with securities under the general mandate.

Rule 15.02, Listing Rules: Options, Warrants and Similar Rights

All warrants must, prior to the issue or grant thereof, be approved by the Stock Exchange and in addition, where they are warrants to subscribe equity securities, by the shareholders in general meeting (unless they are issued by the directors under the authority of a general mandate granted to them by shareholders in accordance with Rule 13.36(2) of the Listing Rules). In the absence of exceptional circumstances which would include, by way of example, a rescue reorganisation, the Stock Exchange will only grant approval to the issue or grant of warrants to subscribe securities if the following requirements are complied with:

(1) the securities to be issued on exercise of the warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20% of the number of issued shares of the issuer at the time such warrants are issued. Options granted under employee or executive share schemes which comply with Chapter 17 of the Listing Rules are excluded for the purpose of this limit; and

(2) such warrants must expire not less than one and not more than five years from the date of issue or grant and must not be convertible into further rights to subscribe securities which expire less than one year or more than five years after the date of issue or grant of the original warrants.

Rule 15.03, Listing Rules

The circular or notice to be sent to shareholders convening the requisite meeting under Rule 15.02 of the Listing Rules must include, at least, (1) the maximum number of securities which could be issued on exercise of the warrants, (2) the period during which the warrants may be exercised and the date when this right commences, (3) the amount payable on the exercise of the warrants, (4) the arrangements for transfer or transmission of the warrants, (5) the rights of the holders on the liquidation of the issuer, (6) the arrangements for the variation in the subscription or purchase price or number of securities to take account of alterations to the share capital of the issuer, (7) the rights (if any) of the holders to participate in any distributions and/or offers of further securities made by the issuer, and (8) a summary of any other material terms of the warrants.

3. Rules 7.19A and 7.27A, Listing Rules: Rights Issue

A proposed rights issue must be made conditional on minority shareholders' approval in the manner set out in Rule 7.27A of the Listing Rules if the proposed rights issue would increase either the number of issued shares or the market capitalisation of the issuer by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the issuer (i) within the 12-month period immediately preceding the announcement of the proposed rights issue or (ii) prior to such 12-month period where dealing in respect of the shares issued pursuant thereto commenced within such 12-month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to shareholders as part of such rights issues or open offers).

Where minority shareholders' approval is required for a rights issue or open offer under Rule 7.19A or 7.24A of the Listing Rules:

(a) the rights issue or open offer must be made conditional on approval by shareholders in general meeting by a resolution on which any controlling shareholders and their associates or, where there are no controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer and their respective associates shall abstain from voting in favour;

(b) the Stock Exchange reserves the right to require the following parties to abstain from voting in favour of the relevant resolution at the general meeting:

(i) any parties who were controlling shareholders of the issuer at the time the decision for the transaction or arrangement involving the rights issue or open offer was made or approved by the board, and their associates; or

(ii) where there were no such controlling shareholders, directors (excluding independent non-executive directors) and the chief executive of the issuer at the time the decision for the transaction or arrangement involving the rights issue or open offer was made or approved by the board, and their respective associates;

(c) the issuer must set out in the circular to shareholders:

(i) the purpose of the proposed rights issue or open offer, together with the total funds expected to be raised and a detailed breakdown and description of the proposed use of the proceeds. The issuer shall also include the total funds raised and a detailed breakdown and description of the funds raised on any issue of equity securities in the 12 months immediately preceding the announcement of the proposed rights issue or open offer, the use of such proceeds, the intended use of any amount not yet utilised and how the issuer has dealt with such amount; and (b) the information required under Rule 2.17 of the Listing Rules in the circular to shareholders; and

(ii) the issuer must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

4. Rule 17.03, Listing Rules: Terms of Share Option Schemes The terms and provisions of the scheme must provide, *inter alia:* (1) the purpose of the scheme; (2) the participants of the scheme and the basis of determining the eligibility of the participants; (3) the total number of shares which may be issued in respect of all options and awards to be granted under the scheme and any other schemes (the **scheme mandate limit**), together with the percentage of the issued shares that it represents at the date of approval of the scheme; and, where the participants of the scheme include service providers, the sublimit on the total number of shares that may be issued in respect of all options and awards to be granted to service providers (the **service provider sublimit**) within the scheme mandate limit; (4) the maximum entitlement of each participant under the scheme; (5) the period within which an option may be exercised by the grantee under the scheme, which must not be more than 10 years from the date of grant of the option;	There are no corresponding or similar provisions in AIX Business Rules or AIFC Market Rules dealing with terms of share option schemes.

(6) the vesting period of options or award to be granted under the scheme;

(7) a description (which may be qualitative) of the performance targets, if any, attached to options or awards to be granted under the scheme or, if none, a negative description of the target level and performance related measures and the method for assessing how they are satisfied;

(8) the amount, if any, payable on application or acceptance of the option or award and the period within which payments or calls must or may be made or loans for such purposes must be repaid;

(9) the basis of determination of the exercise price of options or the purchase price of shares awarded, if any;

(10) the voting, dividend, transfer and other rights, including those arising on a liquidation of the listed issuer, attaching to the shares and (if appropriate) any such rights attaching to the options or awards themselves;

(11) the life of the scheme, which must not be more than 10 years;

(12) the circumstances under which options or awards will automatically lapse; and

(13) a provision for the cancellation of options or awards granted.

5.	**Section 270 of the SFO: Insider dealing**	**Chapter 5 of AIFC Market Rules: Market Abuse**
	In general terms, subject to the specified exempted circumstances, Section 270 of the SFO prohibits persons from dealing in listed securities (or their derivatives) of a corporation, or otherwise counsels or procures another person to deal in such listed shares (or their derivatives) when such person is connected with the corporation and has information which he knows is relevant information in relation to the corporation.	AIFC Market Rules and AIX Business Rules prohibit a conduct that amounts to Market Abuse which covers: (a) unlawful disclosure of inside information; (b) engaging or attempting to engage in insider dealing; (c) recommending that another person engage in insider dealing or inducing another person to engage in insider dealing;
	Section 278 of the SFO: Stock Market Manipulation Section 278 of the SFO prohibits persons in Hong Kong or elsewhere from: (a) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction increase, or are likely to increase, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to purchase or subscribe for, or to refrain from selling, securities of the corporation or of a related corporation of the corporation;	(d) engaging or attempting to engage in a so-called Market Manipulation covering (a) Market Manipulation Activities which according to its definition mainly concern entering into a transaction, placing an order to trade or any other activity or behaviour which affects or may affect the price of securities, or involves delivery of false or misleading information or any form of deception or contrivance; and (b) Market Manipulation Behaviour which includes, *inter alia,* taking advantage of occasional or regular access to the traditional or electronic media by voicing an opinion about a security (or indirectly about its issuer) while having previously taken positions on that security and profiting subsequently from the impact of the opinions voiced on the price of that instrument without having simultaneously disclosed that conflict of interest to the public in a proper and effective way (for more details, please refer to Rules 5.4.2 and 5.4.3, AIFC Market Rules).

(b) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction reduce, or are likely to reduce, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, or to refrain from purchasing, securities of the corporation or of a related corporation of the corporation; or

(c) entering into or carrying out, directly or indirectly, two or more transactions in securities of a corporation that by themselves or in conjunction with any other transaction maintain or stabilise, or are likely to maintain or stabilise, the price of any securities traded on a relevant recognised market or by means of authorised automated trading services, with the intention of inducing another person to sell, purchase or subscribe for, or to refrain from selling, purchasing or subscribing for, securities of the corporation or of a related corporation of the corporation.

BOARD COMPOSITION

Rules 3.10, 3.10A and 8.12, Listing Rules

Every board of directors of an issuer must include at least three independent non-executive directors; and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. An issuer must appoint independent non-executive directors representing at least one-third of the board. A new applicant applying for a primary listing on the Stock Exchange must have sufficient management presence in Hong Kong, which normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

Rules 3.21, 3.22 and paragraph D.3 of Appendix C1, Listing Rules: Audit Committee

Every listed issuer must establish an audit committee comprising non-executive directors only. The audit committee must comprise a minimum of three members, at least one of whom is an independent non-executive director with appropriate professional qualifications or accounting or related financial management expertise under Rule 3.10(2) of the Listing Rules. The majority of the audit committee members must be independent non-executive directors of the listed issuer. The audit committee must be chaired by an independent non-executive director. The board of directors of the issuer must approve and provide written terms of reference which clearly establish the committee's authority and duties as required under Rule 3.22 and paragraph D.3 of Appendix C1 to the Listing Rules for the audit committee.

Principle 3 — Board composition and resources, Schedule 3, AIFC Market Rules: Corporate Governance Best Practice Standards

23. It may well be that no single director has all the knowledge, skills and expertise needed by a board to discharge its functions. The board should have an appropriate number and mix of individuals to ensure that there is an overall adequate level of knowledge, skills and expertise commensurate with the nature, scale and complexity of the business of the issuer.

General, Schedule 3, AIFC Market Rules: Corporate Governance Best Practice Standards

5. An issuer may have a small board to reflect the small and less complex nature of its business, as opposed to a larger and more complex business which requires a larger board. It may not be possible to have a large number of committees of the small board to undertake the functions of committees discussed in this Schedule. In such cases, the board as a whole may undertake all these functions, or alternatively, combine the roles of committees as appropriate.

Rules 3.25, 3.26 and paragraph E.1 of Appendix C1 of the Listing Rules: Remuneration Committee

An issuer must establish a remuneration committee chaired by an independent non-executive director and comprising a majority of independent non-executive directors, with specific terms of reference that clearly establish its authority and duties, including the terms of references set out in paragraph E.1 of Appendix C1 to the Listing Rules. The board of directors must approve and provide written terms of reference for the remuneration committee which clearly establish its authority and duties.

Paragraphs B.3 of Appendix C1 of the Listing Rules: Nomination Committee

Issuers should establish a nomination committee which is chaired by the chairman of the board or an independent non-executive director and comprises a majority of independent non-executive directors. The nomination committee should be established with specific written terms of reference which deal clearly with its authority and duties and should perform the duties as set out in paragraph B.3 of Appendix C1 to the Listing Rules.

Principle 4, Schedule 3, AIFC Market Rules: Corporate Governance Best Practice Standards

MAR 2.2.5: "The board must ensure that the issuer has an adequate, effective, well-defined and well-integrated risk management, internal control and compliance framework."

46. The board should, at least annually, conduct a review of the effectiveness of the issuer's risk management, internal control and compliance framework ("**systems and controls**") and should report to the shareholders that it has done so. The board may satisfy this requirement by instructing an auditor to undertake the review and report to it on its outcome.

47. The board should establish formal and transparent arrangements for considering how it should apply the financial reporting and internal control systems, and for maintaining an appropriate relationship with its auditors.

Principle 4, Schedule 3, AIFC Market Rules: Corporate Governance Best Practice Standards

50. The board should appoint at least two independent non-executive directors to the audit committee. At least one of the independent non-executive directors appointed to the audit committee should have recent and relevant financial expertise. The chair of the audit committee should be an independent non-executive director.

Principle 7, Schedule 3, AIFC Market Rules: Corporate Governance Best Practice Standards

70. The board should establish and maintain a remuneration committee to assess the remuneration of directors (including the chairman). The remuneration committee should comprise at least three members, with a majority of those members being independent non-executive directors. The chair of the committee should be an independent non- executive director. In addition, the chairman of the board may also be a member but not the chair of the committee.

Principle 3, Schedule 3, AIFC Market Rules: Corporate Governance Best Practice Standards

35. The board should establish and maintain a nomination committee to lead the process for appointments and make recommendations to the board relating to the appointment of board members and the senior management. A majority of members of the nomination committee should be independent non-executive directors. The chairman of the nomination committee should be an independent non-executive director.

Rule 2.2.2 Principle 1, AIFC Market Rules: Board of directors

An issuer must have an effective board which is collectively accountable for ensuring that the issuer's business is managed prudently and soundly.

Rule 2.2.3 Principle 2, AIFC Market Rules: Division of responsibilities

The board must ensure that there is a clear division between the board's responsibility for setting the strategic aims and undertaking the oversight of the issuer and the senior management's responsibility for managing the issuer's business in accordance with the strategic aims and risk parameters set by the board.

Rule 2.2.4 Principle 3, AIFC Market Rules: Board composition and resources

The board, and its committees, must have an appropriate balance of skills, experience, independence and knowledge of the issuer's business, and adequate resources, including access to expertise as required and timely and comprehensive information relating to the affairs of the issuer.

INTERESTED PERSON TRANSACTIONS OR CONNECTED TRANSACTIONS

Chapter 14A of the Listing Rules (Connected Transactions)	**Rule 2.5, AIFC Market Rules: Related party transactions**
	Rule 2.5.1, AIFC Market Rules: Application
Chapter 14A of the Listing Rules specifies circumstances in which transactions between an issuer and certain specified persons (including connected persons) are, unless otherwise exempted, subject to the shareholders' approval, annual review and disclosure requirements.	This section applies, subject to MAR 2.5.4, to: (a) an issuer; and (b) a related party of such an issuer.

Rules 14A.07 and 14A.24, Listing Rules

"Connected person" is defined to include a director, chief executive or substantial shareholder of the listed issuer or any of its subsidiaries, any person who was a director of the listed issuer or any of its subsidiaries in the last 12 months, a supervisor of a PRC issuer or any of its subsidiaries, an associate of the respective persons as aforesaid, a connected subsidiary, or a person deemed to be connected by the Stock Exchange.

"Transaction" include both capital and revenue nature transactions, whether or not conducted in the ordinary and usual course of business of the listed issuer's group. This includes the following types of transactions:

(i) the acquisition or disposal of assets by a listed issuer's group including deemed disposals;

(ii) any transaction involving a listed issuer's group granting, accepting, transferring, exercising or terminating an option to acquire or dispose of assets or to subscribe for securities; or the listed issuer's group deciding not to exercise an option to acquire or dispose of assets or to subscribe for securities;

Rule 2.5.2, AIFC Market Rules: Definitions

In this section, unless otherwise provided:

(a) a person is a related party of an issuer if that person:

(i) is, or was within the 12 months before the date of the related party transaction: (A) a director or a person involved in the senior management of the issuer or a member of its group; (B) an associate of a person referred to in (a)(i)(A); or

(ii) owns, or has owned within 12 months before the date of the related party transaction, voting securities carrying more than 5% of the voting rights attaching to all the voting securities of either the issuer or a member of its group; or

(iii) is, or was within the 12 months before the date of the related party transaction, a person exercising or having the ability to exercise significant influence over the issuer or an associate of such a person; and

(iii) entering into or terminating finance leases or operating leases or sub-leases;

(iv) granting an indemnity or providing or receiving financial assistance. "Financial assistance" includes granting credit, lending money, or providing an indemnity against obligations under a loan, or guaranteeing or providing security for a loan;

(v) entering into an agreement or arrangement to set up a joint venture entity in any form, such as a partnership or a company, or any other form of joint arrangement;

(vi) issuing new securities of the listed issuer or its subsidiaries, including underwriting or sub-underwriting an issue of securities;

(vii) providing, receiving or sharing services; or

(viii) acquiring or providing raw materials, intermediate products and/or finished goods.

(b) a transaction is a related party transaction if it is a transaction:

(i) between an issuer and a related party; or

(ii) under which the issuer invests in another undertaking or asset, or provides financial assistance to another undertaking, in which a related party also has a financial interest; or

(iii) between the issuer and any other person the purpose or effect of which is to benefit a related party; or

(iv) of the kind referred to in (i)-(iii) and is between a subsidiary of an issuer and a related party of the issuer.

Guidance: Definitions

Any transaction between a subsidiary of an issuer and a related party is included within the definition of a related party transaction. This is because a related party may, through the issuer, be able to influence terms which are more favourable to the related party when transacting with the subsidiary. Such transactions could be detrimental to the interests of the issuer.

Rules 14A.35 to 37, 14A.49, 14A.71, 14A.76, Listing Rules: Reporting, Announcement and Independent Shareholders' Approval Requirements for Connected Transactions

Rules 14A.35, 14A.36, Listing Rules

The listed issuer must announce the connected transaction as soon as practicable after its terms have been agreed. Unless it is exempted under the Listing Rules, the connected transaction must be conditional on shareholders' approval at a general meeting held by the listed issuer. Any shareholder who has a material interest in the transaction must abstain from voting on such a resolution.

Rules 14A.37, 14A.73, 14A.76, Listing Rules

Certain categories of transactions are exempt from the general meeting requirements and the Stock Exchange accepts a written shareholder's approval (subject to certain conditions as set out in Rule 14A.37 of the Listing Rules), and certain transactions are subject only to annual review and disclosure requirements. Amongst other exemptions under the Listing Rules, a connected transaction (other than an issue of new securities by the listed issuer) conducted on normal commercial terms or better will constitute a de minimis transaction under Rule 14A.76(1) of the Listing Rules, which will be exempt from shareholders' approval, annual review and all disclosure requirements, where each of the percentage ratios (other than the profits ratio) is less than 0.1% or less than 1% (where the connected transaction only involves a connected person(s) at the issuer's subsidiary's level), or each of the percentage ratios (other than the profits ratio) is less than 5% and the total consideration is less than HK$3,000,000 (or in the case of any financial assistance, the total value of the financial assistance plus any monetary advantage to the connected person or commonly held entity).

Rule 2.5.3, AIFC Market Rules: Related party transaction procedures

If an issuer enters into a related party transaction or a series of related party transactions in any 12-month period and the value of such transaction(s) is greater than 5% of value of the net assets of the issuer as stated in its most recent financial reports, the issuer must, no later than the time when the terms of the transaction or arrangement are agreed, make public disclosure which sets out:

(a) the nature of the related party relationship;

(b) the name of the related party;

(c) the date and the value of the transaction or arrangement; and

(d) any other information necessary to assess whether the transaction or arrangement is fair and reasonable from the perspective of the issuer and of the stakeholders who are not a related party, including minority shareholders and creditors.

Rules 14A.49, 14A.71, Listing Rules: Reporting Requirements

The listed issuer's annual report must contain the following information on the connected transactions conducted in that financial year (including continuing connected transactions under agreements signed in previous years):

(1) the transaction date;

(2) the parties to the transaction and a description of their connected relationship;

(3) a brief description of the transaction and its purpose;

(4) the total consideration and terms;

(5) the nature of the connected person's interest in the transaction; and

(6) for continuing connected transactions,

    (a) confirmation from the listed issuer's independent non-executive directors on the matters set out in Rule 14A.55 of the Listing Rules; and

    (b) statement from the listed issuer's board of directors whether the auditors have confirmed the matters set out in Rule 14A.56 of the Listing Rules.

Rules 14A.81 to 14A.86, Listing Rules: Aggregation of Transactions

The Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction if they were all entered into or completed within a 12-month period or are otherwise related. The listed issuer must comply with the applicable connected transaction requirements based on the classification of the connected transactions when aggregated. The aggregation period will cover 24 months if the connected transactions are a series of acquisitions of assets being aggregated which may constitute a reverse takeover.

Factors that the Hong Kong Stock Exchange will consider for aggregation of a series of connected transactions include whether:

(1) they are entered into by the listed issuer's group with the same party, or parties who are connected with one another;

(2) they involve the acquisition or disposal of parts of one asset, or securities or interests in a company or group of companies; or

(3) they together lead to substantial involvement by the listed issuer's group in a new business activity.

The Stock Exchange may aggregate all continuing connected transactions with a connected person.

Rule 2.5.4, AIFC Market Rules: Exemptions

The requirements in this section do not apply transaction referred to in MAR 2.5.2(b):

(a) where the transaction is made in the ordinary course of business and on commercial terms no less favourable than those of an arm's length transaction with an unrelated party; or

(b) where it, or any series of transactions with the same related party in any 12-month period, does not exceed 0.25% of the value of the net assets of the issuer as stated in its most recent financial reports; or

(c) where it is made in accordance with the terms of an employee share scheme or other employee incentive scheme approved by the board of the issuer; or

(d) where it involves the issue of new securities for cash or pursuant to the exercise of conversion or subscription rights attaching to securities issued to existing shareholders where the securities are traded on AIX.

The listed issuer must consult the Stock Exchange before the listed issuer's group enters into any connected transaction if:

(1) the transaction and any other connected transactions entered into or completed by the listed issuer's group in the last 12 months fall under any of the circumstances described in Rule 14A.82 of the Listing Rules; or

(2) the transaction and any other transactions entered into by the listed issuer's group involve the acquisition of assets from a person or group of persons or any of their associates within 24 months after the person(s) gain control (as defined in the Takeovers Code) of the listed issuer.

The listed issuer must provide information to the Stock Exchange on whether it should aggregate the transactions.

The Stock Exchange may aggregate a listed issuer's connected transactions even if the listed issuer has not consulted the Stock Exchange.

Rule 6.3, AIFC Market Rules: Managers' transactions

Rule 6.3.1, AIFC Market Rules: Notification of transactions

Persons discharging managerial responsibilities within an issuer must notify the issuer and the AFSA, in accordance with the rules in MAR 6.3, of every transaction conducted on their own account relating to the shares or debt instruments of that issuer or to derivatives or other securities linked thereto.

Rule 6.3.2, AIFC Market Rules: Transactions on behalf of Persons discharging managerial responsibilities

Transactions that must be notified under MAR 6.3.1 (Notification of transactions) must also include:

(a) the pledging or lending of securities by or on behalf of a person discharging managerial responsibilities, save that a pledge, or a similar security interest, of securities in connection with the depositing of the securities in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility; and

(b) transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a person discharging managerial responsibilities, including where discretion is exercised.

Rules 14A.73, 14A.76, 14A.89, 14A.92 to 14A.101, Listing Rules: Exemptions

The connected transactions which can be exempt from the connected transaction requirements include:

(1) de minimis transactions;

(2) financial assistance;

(3) issue of new securities by the listed issuer or its subsidiary if (a) the connected person receives a pro rata entitlement to the issue as a shareholder; (b) the connected person subscribes for the securities in a rights issue or open offer; (c) the securities are issued to the connected person under a share option scheme; or (d) the securities are issued under a "top-up placing and subscription";

(4) dealings in securities on the Stock Exchange as prescribed under Rule 14A.93 of the Listing Rules;

(5) any repurchase of own securities by a listed issuer or its subsidiary from a connected person on Stock Exchange or a recognised stock exchange or under a general offer made under the Code on Share Buy-backs;

(6) the entering into of a service contract by a director of the listed issuer with the listed issuer or its subsidiary;

(7) the purchase and maintenance of insurance for a director of the listed issuer or its subsidiaries against liabilities to third parties that may be incurred in the course of performing his duties are fully exempt if it is in the form permitted under the laws of Hong Kong and where the company purchasing the insurance is incorporated outside Hong Kong, the laws of the company's place of incorporation;

(8) the acquisition as consumer or selling consumer goods or services to a connected person on normal commercial terms or better in its ordinary and usual course of business if such goods and services are (a) of a type ordinarily supplied for private use or consumption, (b) for the acquirer's own consumption or use, (c) consumed or used by the acquirer in the same state as when they were acquired, (d) on terms no more favourable to the connected person or no less favourable to the listed issuer's group than those available from independent third parties;

(9) the sharing of administrative services between the listed issuer's group and a connected person on a cost basis;

(10) transactions with associates of passive investors; and

(11) transactions with connected persons at the subsidiary level.

Rule 6.3.4, AIFC Market Rules: Notification to be made promptly

The notification in MAR 6.3.1 must be made promptly and no later than three business days after the date of the transaction.

Rule 6.3.5, AIFC Market Rules: Disclosure to the public

The issuer must ensure that the information that is notified in accordance with MAR 6.3.1 is made public promptly and no later than three business days after the transaction in a manner which enables fast access to the information on a non-discriminatory basis.

RESTRICTIONS ON DEALINGS OF DIRECTORS BEFORE PUBLICATION OF THE FINANCIAL RESULTS

Rules A.3, B.8, B.9 and C.14 of Appendix C3, Listing Rules

Rule A.3

A director must not deal in any securities of the listed issuer on any day on which its financial results are published and:

(i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

(ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional as described in Rule C.14 below. In any event, the director must comply with the procedure in the Rules B.8 and B.9 of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Directors Dealing Code**").

The listed issuer must notify the Stock Exchange in advance of the commencement of each period during which directors are not allowed to deal under Rule A.3 of the Directors Dealing Code.

Rule 2.4.2, AIFC Market Rules: Prohibition on dealing

(a) A restricted person must not engage in dealing in the securities of the issuer during a closed period except in the circumstances specified in MAR 2.4.4 or MAR 2.4.5.

(b) The prohibition in (a) applies to any dealing by restricted persons whether or not such dealings are with another restricted person or any other person.

Rule 2.4.3, AIFC Market Rules: Definition of "closed period" and "dealing in Securities"

For the purposes of MAR 2.4.2:

(a) a 'closed period' is

(i) the period from the relevant financial year end up to and including the time of the announcement or publication of the annual financial statements and/or results; and

(ii) if the issuer reports on a semi-annual basis, the period from the end of the relevant semi-annual financial period up to and including the time of the announcement or publication of the semi-annual financial statements and/or results; or

(iii) if the issuer reports on a quarterly basis, the period from the end of the relevant quarter up to and including the time of the announcement or publication of the quarterly financial statements and/or results.

Rule C.14

If a director proposes to sell or otherwise dispose of securities of the listed issuer under exceptional circumstances where the sale or disposal is otherwise prohibited under the Directors Dealing Code, the director must, in addition to complying with other provisions of the Directors Dealing Code, comply with the provisions of the Rule B.8 of the Directors Dealing Code regarding prior written notice and acknowledgement. The director must satisfy the chairman or the designated director that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the director before the director can sell or dispose of the securities. The listed issuer shall give written notice of such sale or disposal to the Stock Exchange as soon as practicable stating why it considered the circumstances to be exceptional. The listed issuer shall publish an announcement in accordance with Rule 2.07C of the Listing Rules immediately after any such sale or disposal and state that the chairman or the designated director is satisfied that there were exceptional circumstances for such sale or disposal of securities by the director.

(b) 'dealing in securities' means:

(i) any acquisition or disposal of, or agreement to acquire or dispose of, securities of the issuer; or

(ii) entering into a contract (such as a contract for difference) the purpose of which is to secure a profit or avoid a loss by reference to fluctuations in the price of the securities of the issuer; or

(iii) the grant, acceptance, acquisition, disposal, exercise or discharge of any option to acquire or dispose of any securities of the issuer; or

(iv) entering into, or terminating, assigning or novating any stock lending agreement in respect of the securities of the issuer; or

(v) using as security, or otherwise granting a charge, lien or other encumbrance over the securities of the issuer; or

(vi) any other transaction including a transfer for no consideration, or the exercise of any power or discretion effecting a change of ownership of a beneficial interest in, the securities of the issuer.

Rule B.8

Under the Directors Dealing Code, a director must not deal in any securities of the issuer without first notifying in writing the chairman or a director (otherwise than himself) designated by the board for the specific purpose and receiving a dated written acknowledgement. In his own case, the chairman must first notify the board at a board meeting, or alternatively notify a director (otherwise than himself) designated by the board for the purpose and receive a dated written acknowledgement before any dealing. The designated director must not deal in any securities of the listed issuer without first notifying the chairman and receiving a dated written acknowledgement. In each case, (a) a response to a request for clearance to deal must be given to the relevant director within five business days of the request being made; and (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

Rule B.9

The procedure established within the listed issuer must, as a minimum, provide for there to be a written record maintained by the listed issuer that the appropriate notification was given and acknowledged pursuant to Rule B.8 of the Directors Dealing Code, and for the director concerned to have received written confirmation to that effect.

Rule 2.4.4, AIFC Market Rules: Clearance to deal

(1) The prohibition in MAR 2.4.2 (1) does not apply in relation to any dealing in securities where the restricted person has obtained prior clearance to deal as provided in (2) and (3).

(2) For the purposes of (1), prior written clearance to deal in the securities of an issuer must be obtained:

(a) from a director designated by the board for the purposes of providing clearances to deal; and

(b) in the case of dealings by the director designated for the purpose of providing clearances to deal, from the full board or another director designated by the board for the purposes of providing such clearance.

(3) For the purposes of (1) and (2), a director of the issuer must not be given written clearance to deal in any securities of the issuer during any period when there exists any matter which constitutes inside information unless the person responsible for granting clearance has no reason to believe that the proposed dealing is or may be in breach of the Framework Regulations of AIFC or AIX Market Rules.

Rule 2.4.5, AIFC Market Rules: Exempt dealings

The prohibition in MAR 2.4.2 (1) does not apply in relation to any dealing in securities in the issuer if such dealing by the restricted person relates to:

(a) undertakings or elections to take up, or the taking up of, an entitlement under a rights issue or dividend reinvestment offer, or allowing such an entitlement or offer to lapse; or

(b) undertakings to accept, or the acceptance of, a takeover offer under the takeover rules; or

(c) dealings where the beneficial interest in the relevant security does not change; or

(d) transactions between the restricted person and an associate of such a person; or

(e) transactions relating to dealings in an employee share scheme in accordance with the terms of such a scheme.

Rule 6.3.8, AIFC Market Rules: Closed period

A person discharging managerial responsibilities within an issuer must not conduct any transactions on their own account or for the account of a third party, directly or indirectly, relating to the shares or debt instruments of the issuer or to derivatives or other securities linked to them during a closed period as defined in MAR 2.4.3.

Rule 6.3.9, AIFC Market Rules: Discretion to permit trading with the closed period

An issuer may allow a person discharging managerial responsibilities within it to trade on its own account or for the account of a third party during a closed period either:

(a) on a case-by-case basis due to the existence of exceptional circumstances, such as severe financial difficulty, which require the immediate sale of shares; or

(b) due to the characteristics of the trading involved for transactions made under, or related to, an employee share scheme or saving scheme, qualification or entitlement of shares, or transactions where the beneficial interest in the relevant security does not change.

II. Takeover Obligations

1. The Takeover Code

Public companies with a primary listing of their equity securities in Hong Kong fall within the regulatory framework of the Takeovers Code. The Takeovers Code is not legally enforceable. Its purpose is to provide guidelines for companies and their advisers contemplating, or becoming involved in, takeovers and mergers affecting public companies in Hong Kong.

The aim of the Takeovers Code is to ensure fair treatment of shareholders who are affected by takeovers, mergers and share buy-backs. It requires the timely disclosure of adequate information to enable shareholders to make an informed decision as to the merits of any offer. It also provides an orderly framework within which takeovers, mergers and share buy-backs are to be conducted.

The Takeovers Code regulates acquisitions of shares (whether by way of takeovers, mergers and share buy-back) in an offeree company and a potential offeree company, or a company in which control may change or be consolidated would be relevant. Control is currently defined as a holding, or aggregate holdings, of 30.0% or more of the voting rights of a company, irrespective of whether that holding or holdings gives de facto control.

The Takeovers Code also applies not only to the offeror and the offeree company, but also to those persons "acting in concert" with the offeror. Under the Takeovers Code, "persons acting in concert" are persons who "pursuant to an agreement or understanding (whether formal or informal), actively cooperate to obtain or consolidate control of a company through the acquisition by any of them of voting rights of the company". The Takeovers Code also describes classes of persons who are presumed to be acting in concert with others in the same class unless the contrary is established.

The Takeovers Code requires the making of a mandatory general offer to holders of each class of equity share capital of the offeree company, whether the class carries voting rights or not, and also to the holders of any class of voting non-equity share capital in which such person, or persons acting in concert with him, hold shares, unless a waiver has been granted by the executive of the Securities and Futures Commission, where a person or a group of persons acting in concert (a) acquires control of a company (meaning 30.0% or more of the voting rights), whether by a series of transactions over a period of time, or not; or (b) when already holding between 30.0% and 50.0% of the voting rights of a company, acquires more than 2.0% of the voting rights in the offeree company in a twelve-month period ending on and inclusive of the date of the relevant acquisition.

In either of the above cases, an offer must be made to the shareholders. The offer must be in cash or accompanied by a cash alternative at not less than the highest price paid by the offeror (or any person acting in concert with it) for shares of that class of the offeree company during the offer period and within six months prior to its commencement.

2. *Rules and regulations corresponding or similar to the Takeover Code under the AIX and AIFC regulatory frameworks*

The AIFC Companies Regulations No. 2 of 2017 (as in effect at the date of this prospectus) — Chapter 11 (Protection of Minorities in Takeovers) — provide for takeover rules which apply to private and public companies which have been incorporated at the AIFC. Since our Company was incorporated in Hong Kong, i.e., outside of AIFC, such takeover rules do not apply to us. Nevertheless, the prospective investors shall be aware of AFSA's power to set up takeover rules which apply to any public company whose securities are admitted to the Official List of the AIX at any time it considers appropriate. If adopted upon admission of the Shares to the Official List of the AIX, our Company will be subject to AFSA approved takeover rules. According to the AIFC Financial Services Framework Regulations (AIFC Regulations No. 18 of 2017), Chapter 9 — Takeovers, 88 "Takeover Rules".

"The AFSA may prescribe by Rules ("**the Takeover Rules**"):

(a) the procedures for and obligations of Persons in respect of a Takeover of and Issuer whose Securities are admitted to an Official List with a view to ensuring:

(i) that where a Takeover takes place, it does so in an efficient, competitive, fair and informed market;

(ii) that shareholders are treated fairly and shareholders of the same class are treated the same; and

(iii) that a Takeover is conducted in and orderly framework;

(b) principles to be observed by a Person involved in a Takeover ("**the Takeover Principles**"), relating to, but not limited to:

(i) treatment of shareholders and of classes of shareholders in a Takeover;

(ii) adequacy of time and of information provided to shareholders to enable proper consideration of a Takeover bid;

(iii) avoidance of the creation of false market; and

(iv) avoidance of oppression of minorities.

A Person who is involved in a Takeover of an Issuer whose Securities are admitted to an Official List must comply with and observe the spirit and the wording of the Takeover Principles.

The requirements of section 88 do not apply to Listed Funds".

III. AIX Regulations regarding the Mining Companies and Regional Equity Market Companies

According to the AIX Business Rules, our Company, in addition to generally applicable AIX Markets Listing Rules, may be subject to the requirements of the AIX Mining Companies Rules (MCR) and AIX Regional Equity Market Rules (REM) (both form part of the AIX Business Rules). The above additional AIX Business Rules impose additional requirements, waivers and modifications of AIX Markets Listing Rules.

For listed issuers that are, and applicants for admission to trading on AIX as, both mining companies and REM companies, the concessions and additional requirements set out in both the AIX Regional Equity Market Rules and AIX Mining Company Rules shall apply.

In relation to Rule MCR 5.2 and Rule REM 3.1(a), which offer different concessions in relation to the requirement in Rule MLR 4.1(1) for the provision of previous years' financial statements, Rule REM 3.1(a) prevails over Rule MCR 5.2.

If another provision of the AIX Business Rules offers a concession for a specific category of issuer or applicant, and AIX Mining Company Rules also offer a different concession from the relevant underlying provision of the AIX Business Rules, the issuer or applicant may elect which concessionary provision shall prevail (unless otherwise specified by AIX by Notice).

AIX Mining Companies Rules

Our Company falls under the definition of a mining company as such is defined in the AIX Mining Company Rules (part of AIX Business Rules).

A mining company is a listed issuer, or applicant for admission to trading on AIX of its shares, that has, as its principal business activities: (a) the prospecting or exploration for minerals (excluding petroleum), and/or (b) development or production activities in respect of minerals.

Therefore, when applying for admission to trading on AIX, the Company must, in addition to AIX and AIFC rules and regulations generally applicable to AIX listing applicants, comply with AIX Mining Company Rules.

AIX may waive or modify one or more requirements of AIX Mining Company Rules where appropriate, provided that such waiver or modification would not unduly prejudice holders of securities in the affected mining companies.

The requirements of AIX Mining Company Rules depend on whether the applicant for trading a Tier 1 or Tier 2 mining company is. Our Company falls under the category of the Tier 1 mining company is a company which has 50 per cent or more ownership interest in a mining project with proved reserves or measured resources in accordance with the applicable Tier 1 reporting standard, and have capability to develop them (JORC Code, or the Canadian National Instrument 43-101 "Standards of Disclosure for Mineral Projects)" because our Company's reserves are proved in accordance with JORC Code.

In assessing the suitability for listing of an applicant that is a mining company AIX, in addition to generally applicable factors in the AIX Markets Listing Rules, will also take into account the following:

- the experience and technical expertise of the applicant's management and directors relevant to its business and industry, and their relevant public company experience;

- the availability to the applicant of suitably qualified technical personnel and experts, and the infrastructure required for the applicant's proposed exploration, development and production programmes;

- the status and terms of the applicant's rights and licenses for its mineral projects and proposed activities;

- the applicant's ability to comply with the terms of its mining licenses and material contracts, and with applicable laws;

- the applicant must have the permission of the MIC for the listing on AIX;

- the applicant must have the financial capability to execute its stated work programme for eighteen (18) months following admission to trading on AIX, taking into account any expected production;

- the applicant's prospectus must:

  - o comply with the applicable qualifying reporting standard (JORC Code in case of our Company), to the extent it contains information relating to the mining company's mineral projects;

  - o set out sufficient details of the applicant's current and planned exploration, development and production activities; and

  - o contain, or be accompanied by, a report or reports by a competent person setting out the status of exploration, and assessments of reserves and resources, in respect of each of the applicant's mineral projects.

Along with the above requirements the AIX Mining Companies Rules provide the following easement from the general AIX Markets Listing Rules: MLR 4.1(2) requiring one of the previous three years' financial statements to show a net profit is not applicable.

AIX Regional Equity Market Rules

At the same time as it submits an application for admission to the Official List, an applicant must inform AIX whether it considers it will have a free-float market capitalization of its shares on all regulated exchanges (in our Company's case — the Stock Exchange and AIX) of less than USD200 million at the time of being admitted to trading on AIX.

Based on an assessment of that criteria AIX will determine whether the applicant is a regional equity market company (REM company).

If AIX determines that the applicant is a REM company, AIX will advise the applicant by notice (and will publicly disclose at the time of the REM company being admitted to trading) that the applicant is a REM company.

Shares of a REM company shall be a different market segment and will be displayed on the Official List of AIX under the sub-heading "Regional Equity Market Segment (REMS)".

In respect of an applicant that is a REM company, the AIX Markets Listing Rules apply with the following amendments identified below:

- Rule MLR 4.1(1) (requiring three years' audited financial statements) is replaced with:

  "An Applicant to AIX must have published or filed audited financial statements which: (1) cover a prior period of one (1) year, or as otherwise reasonably acceptable to AIX. The audited financial statements must either be not older than: (a) 18 months as at the date of application if the Issuer includes audited interim financial statements in the application; or (b) 15 months as at the date of application if the Issuer includes unaudited interim financial statements in the application.";

- Rule MLR 4.1(2) (requiring one (1) of the previous three (3) years' audited financial statements to show a net profit) is not applicable;

- Rule MLR 4.2(2) (allowing AIX to accept a shorter period than three (3) years for financial statements) is not applicable;

- Rule MLR 7 (requiring an Applicant to be able to demonstrate independence from any controlling shareholders) is not applicable;

- Rule MLR 11.1(2) (requiring at least 25 per cent of the Shares for which the Application is made to be in public hands) is replaced with:

  "For the purposes of (1), a sufficient number of Shares will be taken to have been distributed to the public when at least 15 per cent of the Shares for which application for admission to the Official List has been made are in public hands. However, AIX reserves the right to decrease this minimum amount, should it decide in its discretion to do so.";

- Rule MLR 11.2 (providing AIX may waive or modify Rule MLR 11.1(2) to accept a percentage lower than 25 per cent) is replaced with:

  "AIX may waive or modify Rule MLR 11.1(2) to accept a percentage lower than 15 per cent if it considers that the market will operate properly with a lower percentage in view of additional factors.";

- Rule MLR 20.5.1(2) (requiring a Listed Entity to ensure that it can operate its business independently of a controlling shareholder and any Associate) is not applicable.

1. FURTHER INFORMATION ABOUT OUR COMPANY

A. Incorporation

Our Company was incorporated in Hong Kong under the Companies Ordinance as a private company with limited liability on August 29, 2014. Our registered office is at Suite 4501, 45th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong. Our Company will change our company status from a private company to a public company limited by shares from the date on which this prospectus (together with other documents required) are submitted to the Registrar of Companies in Hong Kong following the approval and adoption of the Articles of Association (which will take effect from the date on which this prospectus (together with the other documents required) are submitted to the Registrar of Companies in Hong Kong) by our Shareholders by way of resolutions in writing passed on August 15, 2025.

As our Company is incorporated in Hong Kong, we are subject to the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the applicable laws of Hong Kong. We are also regulated by our Articles of Association, a summary of which is set out in Appendix IV to this prospectus.

B. Changes in the Share Capital of Our Company

Pursuant to the Companies Ordinance, companies incorporated in Hong Kong do not have an authorized share capital and there is no concept of par value in respect of issued shares.

The following sets forth the alteration in the share capital of our Company within the two years immediately preceding the date of this prospectus:

On May 15, 2023, the Company increased its issued share capital from HK$10,000 to a total sum comprising HK$10,000.00 and RMB395,588,235.29. No Shares were issued.

On January 24, 2024, the issued share capital of our Company of HK$10,000.00 and RMB395,588,235.29 was converted and redenominated into a total sum of HK$465,652,955.88. No Shares were issued.

As of the Latest Practicable Date, we have a total of 11,765 Shares in issue.

Save as disclosed above, there has been no change in our share capital within the two years immediately preceding the date of this prospectus.

C. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the Accountant's Report as set out in Appendix I to this prospectus.

There has been no change in the share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

D. Written Resolutions Passed by Our Shareholders

Pursuant to the written resolutions passed by our Shareholders on August 15, 2025, among others:

(a) the Articles of Association were adopted in substitution of and to the exclusion of the existing articles of association of our Company with effect from the date on which this prospectus (together with the other documents required) are submitted to the Registrar of Companies in Hong Kong;

(b) conditional on all the conditions set out in the paragraph headed "Structure of the Global Offering — Conditions of the Global Offering" in this prospectus being fulfilled:

(i) the Listing, the Global Offering and the grant of the Over-allotment Option were approved and the Directors were authorized to allot and issue the Offer Shares pursuant to the Global Offering and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option;

(ii) a general unconditional mandate would be granted to the Directors to allot, issue and deal with the Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for the Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers whether during or after the end of the Relevant Period (as defined below), provided that the aggregate number of Shares allotted or agreed to be allotted by the Directors other than pursuant to a (1) rights issue; (2) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares; and (3) a specific authority granted by the Shareholder(s) in general meeting, shall not exceed the aggregate of:

(A) 20% of the total number of Shares in issue immediately following the completion of the Global Offering; and

(B) the aggregate number of Shares repurchased by the Company (if any) under the general mandate to repurchase Shares referred to in paragraph below,

such mandate to remain in effect during the period from the passing of the resolution until the earliest of (1) the conclusion of the next annual general meeting of the Company, unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions, (2) the end of the period within which the Company is required by the Articles of Association or any applicable laws to hold its next annual general meeting and (3) the date on which the mandate is varied or revoked by an ordinary resolution of the Shareholders in general meeting (the "**Relevant Period**"), and the Directors were authorized to exercise the powers of the Company referred to above in respect of the share capital of the Company referred to in paragraph (B) above; and

(iii) a general unconditional mandate was given to the Directors to exercise all powers of our Company to repurchase the Shares on the Hong Kong Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognized by the SFC and the Hong Kong Stock Exchange for this purpose) with an aggregate number of not exceeding 10% of the total number of Shares immediately following the completion of the Global Offering but excluding (where applicable) any shares which may be issued pursuant to the exercise of the Over-allotment Option of the Company in accordance with all applicable laws and the requirements of the Listing Rules, such mandate to remain in effect during the period from the passing of the resolution until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or the Companies Ordinance to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to the Directors, whichever occurs first; and

(iv) the general unconditional mandate mentioned in paragraph (b)(ii) above be extended by the addition to the total number of issued Shares of our Company which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in (b)(iii) above, provided that such extended amount shall not exceed 10% of the total number of Shares in issue immediately following the completion of the Global Offering (but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option).

E. Repurchase of Our Shares

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing are on the Hong Kong Stock Exchange to repurchase their securities on the Hong Kong Stock Exchange subject to certain restrictions, some of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of securities on the Hong Kong Stock Exchange by a company with a primary listing on the Hong Kong Stock Exchange must be approved in advance by an ordinary resolution of its shareholders, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the written resolutions passed by our Shareholders on August 15, 2025, a general unconditional mandate (the "**Repurchase Mandate**") was granted to our Directors authorizing the repurchase by our Company of Shares on the Hong Kong Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, representing up to 10% of the number of our Shares immediately following completion of the Global Offering, excluding Shares which may be issued upon the exercise of the Over-allotment Option, at any time until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or the Companies Ordinance to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to the Directors, whichever occurs first.

(ii) Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the applicable laws of Hong Kong. A listed company may not repurchase its own securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Shares to be Repurchased

The Shares which are proposed to be repurchased must be fully paid up.

(v) Status of Repurchased Shares

The listing of the Shares repurchased by our Company shall be canceled upon purchase and our Company shall apply for listing of any further issues of that type of Shares in the normal way. Furthermore, our Company shall ensure that the documents of title of purchased Shares are canceled and destroyed as soon as reasonably practicable following settlement of any such purchase.

(vi) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (1) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (2) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vii) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(viii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

(b) Reasons for Repurchase

Our Directors believe that it is in the best interests of our Company and the Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and its assets and/or its earnings per Share.

(c) Funding of Repurchases

In repurchasing Shares, our Company may only apply funds of our Company legally available for such purpose in accordance with the Articles of Association and the applicable laws of Hong Kong.

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company or the proceeds of a fresh issue of shares made for the purpose of the purchase or out of capital and, in the case of any premium payable on the purchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company.

Our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or our gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) Share Capital

On the basis that there are 439,228,800 Shares immediately after the listing of our Shares assuming that the Over-allotment Option is not exercised, a full exercise of the Repurchase Mandate could accordingly result in up to 43,922,880 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(e) General

Our Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

None of our Directors nor, to the best of their knowledge, having made all reasonable inquiries, any of their respective close associates, have any present intention, if the Repurchase Mandate is exercised, to sell any Shares to our Company.

No core connected person (as defined in the Listing Rules) has notified us that he/she or it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a securities repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "**Code**"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Code as a result of any such increase. Our Directors are not aware of any other consequences which may arise under the Code if the Repurchase Mandate is exercised.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than the highest of (i) 25% of the Company's total issued share capital; (ii) such percentage of Shares held by the public after completion of the Global Offering (assuming that the Over-allotment Option is not exercised); and (iii) such percentage of Shares held by the public after the full or partial exercise of the Over-allotment Option could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this prospectus and are or may be material:

(a) the first amendment agreement to the shareholders' agreement of Jiaxin International Resources Investment Limited dated January 24, 2024 entered into among Jiangxi Copper (Hong Kong) Investment Company Limited (江西銅業(香港)投資有限公司), Ever Trillion International Limited (恒兆國際有限公司), CRCC International Investment Group Limited (中國鐵建國際投資集團有限公司), CCECC (H.K.) Limited (中土工程(香港)有限公司), the Company, Jiaxin International Resources Investment S.à.r.l, Aral-Kegen LLP (阿拉爾科根有限責任合夥), Zhetisu Volframy LLP (杰特蘇鎢業有限責任合夥), Jiaxin (Zhuhai Hengqin) Technology Services Co., Ltd. (佳鑫(珠海橫琴)技術服務有限公司), Mr. Liu Liqiang (劉力強) and Mr. Liu Zijia (劉子嘉);

(b) the cornerstone investment agreement dated August 19, 2025 entered into among the Company, CHINA CINDA (HK) ASSET MANAGEMENT CO., LIMITED (中國信達(香港)資產管理有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of HK$300,000,000;

(c) the cornerstone investment agreement dated August 19, 2025 entered into among the Company, LUYIN TRADING PTE. LTD. (新加坡魯銀貿易有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of HK$100,000,000;

(d) the cornerstone investment agreement dated August 19, 2025 entered into among the Company, GF Fund Management Co., Ltd. (廣發基金管理有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$8,600,000;

(e) the cornerstone investment agreement dated August 19, 2025 entered into among the Company, GF International Investment Management Limited (廣發國際資產管理有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of the Hong Kong dollar equivalent of US$6,400,000;

(f) the cornerstone investment agreement dated August 19, 2025 entered into among the Company, Fullgoal Asset Management (HK) Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of HK$23,478,000;

(g) the cornerstone investment agreement dated August 19, 2025 entered into among the Company, Fullgoal Fund Management Co., Ltd. (富國基金管理有限公司) and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of HK$26,518,128;

(h) the cornerstone investment agreement dated August 19, 2025 entered into among the Company, Zhengxin Group Investment Limited and China International Capital Corporation Hong Kong Securities Limited, with respect to a subscription of Offer Shares at the Offer Price in the aggregate amount of HK$31,820,880; and

(i) the Hong Kong Underwriting Agreement.

B. Our Intellectual Property Rights

(a) Trademarks

(1) Trademarks registered in the PRC

As of the Latest Practicable Date, we have not registered any trademarks in the PRC which we consider as or may be material to our business.

(2) Trademarks registered in Hong Kong

As of the Latest Practicable Date, we have registered the following trademarks in Hong Kong, which we consider as or may be material to our business:

Trademark	Registered owner	Trademark registration no.	Class	Expiry date
JIAXIN INTERNATIONAL RESOURCE	Our Company	306159718	1, 6, 14, 37, 40, 42	January 31, 2033
	Our Company	306159727	1, 6, 14, 37, 40, 42	January 31, 2033

(3) Trademarks applications pending in the PRC

As of the Latest Practicable Date, we had not applied for the registration of any trademarks in the PRC which we consider to be or may be material to our business.

(4) Trademarks applications pending in Hong Kong

As of the Latest Practicable Date, we had not applied for the registration of any trademarks in Hong Kong which we consider to be or may be material to our business.

(b) Domain Names

As of the Latest Practicable Date, we owned the following domain names, which we consider as or may be material to our business:

Domain name	Registered owner	Date of registration	Expiry date
jiaxinir.com	Our Company	August 25, 2023	August 25, 2026

Save as disclosed herein, there are no other patents, trademarks, copyrights, domain names or other intellectual or industrial property rights which are material to our Group's business.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS

A. Particulars of Directors' Service Contracts and Appointment Letters

(a) Executive Directors and non-executive Directors

Each of our executive Directors and non-executive Directors have entered into a service contract with us pursuant to which they agreed to act as executive Directors or non-executive Directors (as the case may be) for an initial term of three years with effect from August 18, 2025 or until the third annual general meeting of our Company since the Listing Date (whichever ends earlier). Either party has the right to give not less than three months' written notice to terminate the agreement. Details of the Company's remuneration policy is described in section headed "Directors and Senior Management — Compensation of the Directors, Senior Management and Employees".

(b) Independent non-executive Directors

Each of the independent non-executive Directors has entered into an appointment letter with our Company on August 18, 2025. The initial term for their appointment letters shall be three years from the date of this Prospectus or until the third annual general meeting of the Company since the Listing Date, whichever ends earlier, (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than three months' prior notice in writing.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation other than the statutory compensation).

B. Remuneration of Directors

The aggregate amount of remuneration that was paid to our Directors for the three years ended December 31, 2022, 2023 and 2024 was approximately HK$2.8 million, HK$2.7 million and HK$2.9 million, respectively. For further details, see Appendix I — "Accountant's Report". None of our Directors waived any emoluments during the same period.

It is estimated that remuneration equivalent to approximately HK$2.9 million in aggregate will be paid and granted to our Directors by us in respect of the financial year ending December 31, 2025 under the arrangements in force at the date of this prospectus.

Save as disclosed above, no other payments have been paid or are payable, in respect of the three years ended December 31, 2022, 2023 and 2024, by us or any of our subsidiaries to our Directors.

C. Disclosure of Interests

(a) Disclosure of interests and short positions of Directors and chief executive in the share capital of our Company and its associated corporations following completion of the Global Offering

Immediately following completion of the Global Offering (assuming that the Over-allotment Option is not exercised), the interests or short positions of our Directors or chief executives in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules to be notified to our Company, once the Shares are listed, will be as follows.

Interest in associated corporations

Name of Director	Position in our Group	Capacity/Nature of interest	Name of associated corporation	Percentage participatory interests in our associated corporation
Mr. LIU Liqiang (劉力強)	Chairman of the Board and executive Director	Beneficial interest	Subsidiary AK	0.01%[(1)]

Notes:

(1) For details, please refer to "History and Corporate Structure — Major Corporate Development and Shareholding Changes of Our Group — Major shareholding changes of Subsidiary AK."

(b) Disclosure of interests of Substantial Shareholders

For information on the persons who will, immediately following completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of any class of Shares carrying the rights to vote in all circumstances at general meetings of the Company, see "Substantial Shareholders".

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the Global Offering assuming the Over-allotment Option is not exercised, be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

D. Disclaimers

(a) None of our Directors or any of the parties listed in the paragraph headed "4. Other Information — G. Qualifications and Consent of Experts" of this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

(b) None of our Directors or any of the parties listed in the paragraph headed "4. Other Information — G. Qualifications and Consent of Experts" of this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;

(c) Save as disclosed in the paragraph headed "A. Particulars of Directors' Service Contracts and Appointment Letters" of this Appendix, none of our Directors or any of the parties listed in the paragraph headed "4. Other Information — G. Qualifications and Consent of Experts" of this Appendix has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

(d) Save as disclosed in the paragraph headed "C. Disclosure of Interests" of this Appendix, taking no account of any Shares which may be taken up under the Global Offering, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the Global Offering, have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group;

(e) Save as disclosed in the paragraph headed "C. Disclosure of Interests" of this Appendix, none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange once the Shares are listed thereon; and

(f) Save in connection with the Hong Kong Underwriting Agreement and the International Underwriting Agreement, none of parties listed in the paragraph headed "4. Other Information — G. Qualifications and Consent of Experts" of this Appendix:

   i. is interested legally or beneficially in any of our Shares or any shares in any of our subsidiaries; or

   ii. has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our Shares or any of our securities; and

(g) So far as is known to our Directors, none of our Directors, their respective close associates or our Shareholders who are interested in more than 5% of the share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

4. OTHER INFORMATION

A. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon our Group.

B. Litigation

As of the Latest Practicable Date, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

C. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Global Offering (including any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option).

The Sole Sponsor confirms that it satisfies the independence criteria applicable to a sponsor set out in Rule 3A.07 of the Listing Rules.

Our Company agreed to pay the Sole Sponsor an aggregate fee of approximately HK$5.7 million to act as the sponsor in connection with the Listing.

D. Compliance Advisor

Our Company has appointed Guolian Securities International Capital Market Co., Limited as the compliance advisor upon Listing in compliance with Rule 3A.19 of the Listing Rules.

E. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

F. Promoters

Our Company has no promoter for the purposes of the Listing Rules.

G. Qualifications and Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this prospectus with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Cap. 50) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588 of the laws of Hong Kong)
Global Law Office	PRC legal advisors
Egen Gregory LLP	Kazakhstan legal advisors
H.Y. Leung & Co. LLP	Hong Kong legal advisors in respect of matters relating to the business operations of our Company in Hong Kong
Frost & Sullivan Limited	Independent industry consultant
SRK Consulting (Hong Kong) Limited	Independent technical consultant
SSH Tax & Legal Solutions LLP	Kazakhstan tax advisors

As of the Latest Practicable Date, none of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

H. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in our financial or trading position since June 30, 2025 (being the date to which our latest consolidated financial statements were made up) up to the date of this prospectus.

I. Binding Effect

This prospectus shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

J. Bilingual Prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

K. Miscellaneous

(a) Save as disclosed in the sections headed "History and Corporate Structure", "Information about This Prospectus and the Global Offering", "Underwriting" and "Structure of the Global Offering" in this prospectus, within the two years immediately preceding the date of this prospectus:

 (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;

 (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

 (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and

 (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company.

(b) There are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries.

(c) No share or loan capital or debenture of any member of our Group is under option or is agreed conditionally or unconditionally to be put under option.

(d) None of our Directors or proposed Directors or experts (as named in this prospectus), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(e) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

(f) Our register of members will be maintained by our Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong. Unless our Directors otherwise agree, all transfers and other documents of title of Shares must be lodged for registration with and registered by the Share Registrar.

(g) Save as disclosed in the sections headed "Information about this Prospectus and the Global Offering", "Underwriting" and "Structure of the Global Offering" in this prospectus, no equity or debt securities of any company within our Group is presently listed on any stock exchange or traded on any trading system nor is any listing or permission to deal being or proposed to be sought.

(h) Save as disclosed in the sections headed "History and Corporate Structure", "Information about this Prospectus and the Global Offering", "Underwriting" and "Structure of the Global Offering" in this prospectus, our Company has no outstanding convertible debt securities or debentures.

(i) There is no arrangement under which future dividends are waived or agreed to be waived.

1. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to a copy of this prospectus and delivered to the Registrar of Companies in Hong Kong for registration were:

(a) copies of the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about our Business — A. Summary of Our Material Contracts" in Appendix VI to this prospectus; and

(b) the written consents referred to in the section headed "Statutory and General Information — 4. Other Information — G. Qualifications and Consent of Experts" in Appendix VI to this prospectus.

2. DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at **www.hkexnews.hk** and our website at **www.jiaxinir.com** during a period of 14 days from the date of this prospectus:

(a) the Articles of Association;

(b) the Accountant's Report from PricewaterhouseCoopers, the text of which is set out in Appendix I to this prospectus;

(c) the report on the unaudited pro forma financial information from PricewaterhouseCoopers, the text of which is set out in Appendix II to this prospectus;

(d) the audited consolidated financial statements of our Group for each of the three years ended December 31, 2022, 2023 and 2024;

(e) the Independent Technical Report prepared by the Independent Technical Consultant, the text of which is set out in Appendix III to this prospectus;

(f) the material contracts referred to in the section headed "Statutory and General Information — 2. Further Information about our Business — A. Summary of our Material Contracts" in Appendix VI to this prospectus;

(g) the service contracts and the letters of appointment with our Directors referred to in "Statutory and General Information — 3. Further Information about Our Directors — A. Particulars of Directors' Service Contracts and Appointment Letters" in Appendix VI to this prospectus;

(h) the written consents referred to in the section headed "Statutory and General Information — 4. Other Information — G. Qualifications and Consent of Experts" in Appendix VI to this prospectus;

(i) the Kazakhstan legal opinion prepared by Egen Gregory LLP, our Kazakhstan legal Advisors, in respect of certain aspects of our Group and the property interests of our Group in Kazakhstan;

(j) the PRC legal opinions issued by Global Law Office, our PRC Legal Advisors, in respect of certain general corporate matters in the PRC of our Group;

(k) the Hong Kong legal opinions issued by H.Y. Leung & Co. LLP, our Hong Kong Legal Advisors, in respect of certain business operation and general corporate matters of our Group in Hong Kong;

(l) the industry report prepared by the Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview" in this prospectus.

In addition, prospective investors and/or Shareholders can access copies of the following documents (all of which are very large documents and in English only) via the following web links:

(a) AIX Business Rules:
https://aix.kz/about-aix/rules-regulations/

(b) AIFC Market Rules:
https://aifc.kz/en/legal-framework

JIAXIN

INTERNATIONAL RESOURCE