
SUMMARY

This summary aims to give you an overview of the information contained in this document. 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 the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read the entire document carefully before you decide to invest in the [REDACTED]. Various expressions used in this section are defined in the sections headed “Definitions” and “Glossary of Technical Terms” in this document.

OVERVIEW

We are a tungsten mining company based in Kazakhstan and have been focusing on the development of our Boguty tungsten mine (the “**Boguty Project**”), which was the world’s largest open-pit tungsten mine in terms of Mineral Resources of tungsten trioxide (WO_3) as of September 30, 2023, according to Frost & Sullivan. As of the same date, 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. During the Track Record Period, we primarily focused on preparing our Boguty Project for commercial production and we expect to bring it into trial production in the third quarter of 2024 to test and fine-tune our processing operations with a target mining and processing capacity of 1.0 Mt tungsten ore in 2024. We expect to commence commercial production in the first quarter of 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 December 31, 2023 were approximately 110.4 Mt ore at 0.211% WO_3 , which correspond to 233.2 kt WO_3 , comprising 98.5 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 the same date, *i.e.*, 70.8 Mt of ore with an average grade of 0.205% WO_3 , equivalent to 145.4 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 after we commence commercial production. We also have ready and affordable access to water and electricity supply for our Boguty Project.

We hold the mining rights (the rights for production of tungsten ore) of the Boguty tungsten mine under the Subsoil Use Contract No. 4608-TPI (as amended and supplemented by three subsequently agreed addenda, the “**SSU Contract**”) with the relevant competent authority in Kazakhstan. The contract area for mining is stated at 1.16 km² 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.

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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 as 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 [REDACTED]. In doing so, we believe our Company has the potential of becoming a leading tungsten company globally. 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 long-term vision, which is in line with our controlling shareholders’ strategic plan, is to become a leading nonferrous metal mining company exploring rich mineral resources in Central Asia with products sold globally.

OUR MINERAL ASSETS AND MINING RIGHTS

We hold mining rights (the rights for production 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 rights for production of tungsten ore 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), a Kazakhstan state-owned company, pursuant to the SSU Contract dated June 2, 2015. The term of the SSU Contract is 25 years. In November 2015, we acquired indirect control over Zhetisu Volframyl LP (Zhetisu) through the acquisition of Aral-Kegen LLP. By addendum No. 1 dated March 1, 2016, the mining rights and obligations of Social Entrepreneurial Corporation “Zhetysu” National Company Joint Stock Company were assigned to Zhetisu.

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% WO₃ applied to the Mineral Resource block model) as of December 31, 2023 and reported in accordance with the JORC Code, as contained in the Independent Technical Report in Appendix III to this document:

Classification	Tonnage	Grade	Contained WO ₃
	(Mt)	(WO ₃ %)	(kt)
Indicated	98.5	0.209	206.1
Inferred	11.9	0.228	27.1
Total	110.4	0.211	233.2

Source: Independent Technical Report

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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% WO₃ used to define ore and waste) as of December 31, 2023 in accordance with the JORC Code, as contained in the Independent Technical Report in Appendix III to this document.

Category	Ore Reserve	WO ₃ Grade	Contained WO ₃
	(Mt)	(%)	(kt)
Probable	70.8	0.205	145.4

Source: Independent Technical Report

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 December 31, 2023, being the effective date of the Mineral Resource and Reserve estimate, and up to the date of this document.

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.”

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Our Subsoil Use Contract

We hold the mining rights of the Boguty tungsten mine under the SSU Contract with the relevant competent authority. 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 Volframyy 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)

The rights for production of tungsten ore at the Boguty tungsten mine were initially acquired by the then called Social Entrepreneurial Corporation "Zhetysu" National Company Joint Stock Company pursuant to the SSU Contract dated June 2, 2015. The term of the SSU Contract is 25 years. In November 2015, we acquired indirect control over Zhetisu through the acquisition of Aral-Kegen LLP. By addendum No. 1 dated March 1, 2016, the mining rights and obligations of Social Entrepreneurial Corporation "Zhetysu" National Company Joint Stock Company were assigned to Zhetisu.

By addendum No. 3 dated December 28, 2020, Zhetisu was required to commence mining operations no later than 2022. During the Track Record Period, we experienced certain delays to our operations and had not commenced production 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 with a target to commence production in 2024 and regularly communicated with the relevant competent authority on our progress. As advised by our Kazakhstan Legal Advisors based on their review of the SSU Contract as amended, our regular discussions with the relevant competent authority on this matter and a written confirmation from the relevant competent authority in December 2023 which stated that it did not consider to terminate our subsoil use right as of the date of the confirmation, our failure to commence mining operations no later than 2022 is considered a breach of the SSU Contract but the risk of termination of the SSU Contract by the relevant competent authority is remote. Therefore, our Directors are of the view that this incident will not have a material adverse impact on our operations.

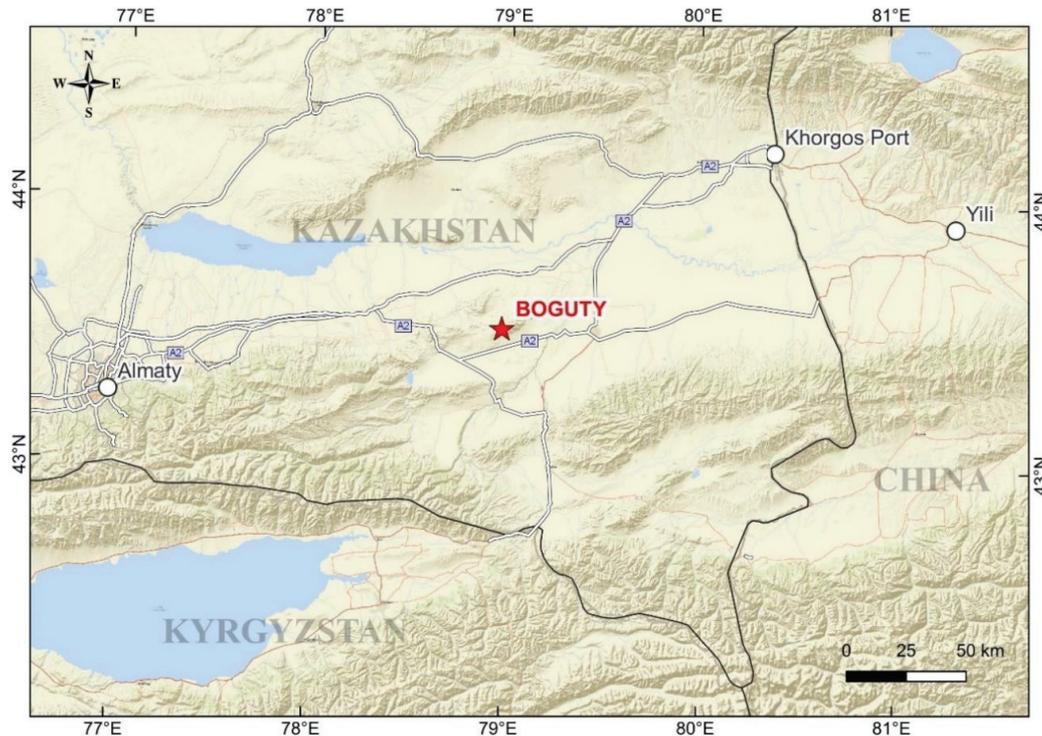
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In accordance with the SSU Code and the SSU Contract, we are required to comply with certain continuing obligations which are imposed on subsoil users. Save for incidents as disclosed above and in "Risk Factors—Risks Relating to Our Business—We may not be able to obtain, maintain or renew permits, licenses or mining contracts or fully comply with their terms," "—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" and "—Our operations could be materially and adversely affected by new potential strains of the COVID-19 virus or other public health emergency," 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. 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 "Financial Information—Indebtedness—Borrowings" for details. 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 43°32'22"N and 78°58'31"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

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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 September 30, 2023, according to Frost & Sullivan, and is ready for cost-effective production;
- 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 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.

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DEVELOPMENT PLAN AND PLANNED PRODUCTION SCHEDULE

Development Plan

The following timeline illustrates 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 and remaining construction tasks, including the installation of high-voltage power lines and water pipelines
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2024	Expect to complete the constructions of the phase 1 of TSF, the installation of processing plant equipment and subsequent testing by mid 2024; and bring the Boguty Project into trial production in the third quarter of 2024
2025	Expect to bring the Boguty Project into the phase I commercial production in the first quarter of 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

Planned Production Schedule

As set forth in the Independent Technical Report, we plan to have two phases of operations in the Boguty Project, with phase I and phase II commercial production scheduled to commence in the first quarter of 2025 and the first quarter of 2027, respectively. The mining operation is expected to be run by a contractor to be engaged through a public tender, who should have 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 will be 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 16 years.

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Period	TMM	ROM	Grade	Waste	Stripping ratio	Feed	Feed grade
	(kt)	(kt)	(WO ₃ %)	(kt)	(t:t)	(kt)	(WO ₃ %)
2024	2,829	606	0.180	2,223	3.67	1,000	0.174
2025	12,450	2,887	0.164	9,563	3.31	3,300	0.166
2026	14,940	3,491	0.191	11,449	3.28	3,800	0.188
2027	16,275	5,028	0.183	11,248	2.24	4,950	0.183
2028	17,380	4,825	0.185	12,554	2.60	4,950	0.185
2029	15,563	4,935	0.215	10,627	2.15	4,950	0.214
2030	11,534	5,013	0.184	6,520	1.30	4,950	0.185
2031	14,028	5,336	0.205	8,693	1.63	4,950	0.204
2032	12,484	4,898	0.212	7,586	1.55	4,950	0.212
2033	11,177	4,936	0.206	6,241	1.26	4,950	0.207
2034	10,524	5,481	0.243	5,042	0.92	4,950	0.240
2035	10,774	4,728	0.231	6,047	1.28	4,950	0.232
2036	9,124	4,994	0.228	4,130	0.83	4,950	0.228
2037	7,723	4,742	0.225	2,981	0.63	4,950	0.225
2038	5,670	4,702	0.222	968	0.21	4,950	0.222
2039	6,467	4,217	0.161	2,250	0.53	4,521	0.165
Total . . .	<u>178,943</u>	<u>70,819</u>	0.205	<u>108,124</u>	1.53	<u>72,021</u>	0.205

Notes:

- 1 Mineral Resources are at cut-off of 0.06% WO₃.
- 2 Mineral Resources include dilution and loss at rates of 5%.
- 3 Inferred Mineral Resources are treated as waste.
- 4 The feed includes a 1.2 Mt stockpile, which is a by-product of the pre-stripping process.

Source: Independent Technical Report

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 any revenue and 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 cost for the Boguty Project since 2020 and the total amount of capital cost incurred during the period from 2020 to 2023 was RMB1,123.5 million. The total incurred and forecasted capital costs for the initial development of the Boguty Project, subsequent lifting of the tailings dam and mine closure are expected to be RMB2,598.4 million, while the capital unit cost over the life-of-mine is estimated to be 36 RMB/t ore and 14,470 RMB/t concentrate. For more information regarding our capital costs, please refer to “Appendix III—Independent Technical Report—Capital and Operating Costs.”

SUMMARY

The table below sets forth a summary of the historical and forecasted capital costs between 2021 and 2039 for our Boguty Project, as stated in the Independent Technical Report:

Cost Center (RMB million)	Total LOM	2020	2021	2022	2023	2024	2025	2026	2027- 2033	2034- 2039
Mine stripping	65.0	–	–	12.2	40.0	7.4	2.4	3.0	–	–
Processing Plant System	528.3	1.0	31.0	132.6	184.2	3.8	168.7	7.0	–	–
Tailings Storage Facility	785.7	–	50.6	40.0	196.6	24.3	38.3	6.2	214.9	214.9
Processing Equipment	372.5	–	16.1	56.4	134.5	125.1	23.8	16.6	–	–
Power supply	97.4	–	1.6	3.1	40.6	10.9	40.0	1.1	–	–
Heating system	43.7	–	–	–	–	14.2	29.2	0.3	–	–
Telecommunication system	8.5	–	–	–	–	7.9	0.4	0.2	–	–
Water supply and reticulation system	79.6	–	6.0	–	17.7	36.0	18.6	1.2	–	–
Roads and other ancillary facilities	139.0	–	11.7	10.0	20.8	55.5	39.0	2.0	–	–
Office, camp and others	36.4	–	–	–	–	–	35.7	0.7	–	–
Ore sorting system	106.8	–	–	–	–	–	74.8	32.0	–	–
Other	213.8	24.2	16.4	17.4	58.7	50.2	46.8	–	–	–
Mine closure	16.9	–	–	–	–	–	–	–	–	16.9
Contingency	104.8	–	–	–	–	23.8	39.3	5.9	17.9	17.9
Total	<u>2,598.4</u>	<u>25.2</u>	<u>133.3</u>	<u>271.7</u>	<u>693.3</u>	<u>359.1</u>	<u>556.8</u>	<u>76.5</u>	<u>232.8</u>	<u>249.7</u>

Source: Independent Technical Report

Operating Costs

As disclosed in the Independent Technical Report and as illustrated below, our projected total operating cash cost for the Boguty Project in 2025 is RMB543.5 million, with an operating cash unit cost of 188 RMB/t ore and 77,500 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 RMB665.1 million from 2025, while the operating cash unit cost is projected to decrease significantly to 132 RMB/t ore and 60,400 RMB/t concentrate. For more information regarding our cash operating costs, please refer to “Financial Information—Forecasted Operating Costs.”

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The table below sets forth a summary of the forecasted operating costs between 2024 and 2039 for our Boguty Project, as stated in the Independent Technical Report:

Production Profile	Unit	Total																
		LOM	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Mining																		
Ore	Mt	70.8	0.6	2.9	3.5	5.0	4.8	4.9	5.0	5.3	4.9	4.9	5.5	4.7	5.0	4.7	4.7	4.2
Waste	Mt	108.1	2.2	9.6	11.4	11.2	12.6	10.6	6.5	8.7	7.6	6.2	5.0	6.0	4.1	3.0	1.0	2.3
Total materials moved	Mt	178.9	2.8	12.5	14.9	16.3	17.4	15.6	11.5	14.0	12.5	11.2	10.5	10.8	9.1	7.7	5.7	6.5
Strip Ratio		1.53	3.67	3.31	3.28	2.24	2.60	2.15	1.30	1.63	1.55	1.26	0.92	1.28	0.83	0.63	0.21	0.53
Grade	WO ₃ %	0.205	0.180	0.164	0.191	0.183	0.185	0.215	0.184	0.205	0.212	0.206	0.243	0.231	0.228	0.225	0.222	0.161
Processing																		
Feed ore	Mt	72.0 ¹	1.00	3.30	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	4.52
Feed ore grade	WO ₃ %	0.205	0.174	0.166	0.188	0.183	0.185	0.214	0.185	0.204	0.212	0.207	0.240	0.232	0.228	0.225	0.222	0.165
Recovery	%	83.00 ^{2/}	83.00	83.00	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 ³																
Concentrate at 65%	t	179,576	2,223	7,010	8,880	10,994	11,094	12,873	11,084	12,275	12,717	12,419	14,435	13,959	13,705	13,527	13,346	9,034
WO ₃																		
Operating Cash Cost																		
Mining	RMB million	2,133.2	33.7	148.4	178.1	194.0	207.2	185.5	137.5	167.2	148.8	133.2	125.5	128.4	108.8	92.1	67.6	77.1
Processing	RMB million	4,064.6	77.6	256.1	245.3	269.9	269.9	269.9	269.9	269.9	269.9	269.9	269.9	269.9	269.9	269.9	269.9	246.5
General and Administrative	RMB million	1,495.1	99.9	74.1	74.1	96.6	96.6	96.6	96.6	96.6	96.6	96.6	96.6	96.6	96.6	96.6	96.6	88.2
Sales	RMB million	177.4	2.3	6.9	8.8	10.9	11.0	12.7	10.9	12.1	12.6	12.3	14.2	13.8	13.5	13.4	13.2	8.9
Resource tax	RMB million	1,686.7	18.1	57.9	74.5	93.7	96.0	113.2	98.7	111.5	117.9	117.4	139.2	137.3	137.5	138.4	139.3	96.2
Total	RMB million	9,556.8	231.6	543.5	580.8	665.1	680.7	677.9	613.6	657.4	645.7	629.4	645.4	646.0	626.2	610.3	586.5	516.9

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Production Profile	Unit	Total LOM	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
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**Operating Cash
Unit Cost**

RMB/t ore		135	382	188	166	132	141	137	122	123	132	128	118	137	125	129	125	123
RMB/t concentrate		53,200	104,100	77,500	65,400	60,400	61,300	52,600	55,300	53,500	50,700	50,600	44,700	46,200	45,600	45,100	43,900	57,200

Source: Independent Technical Report

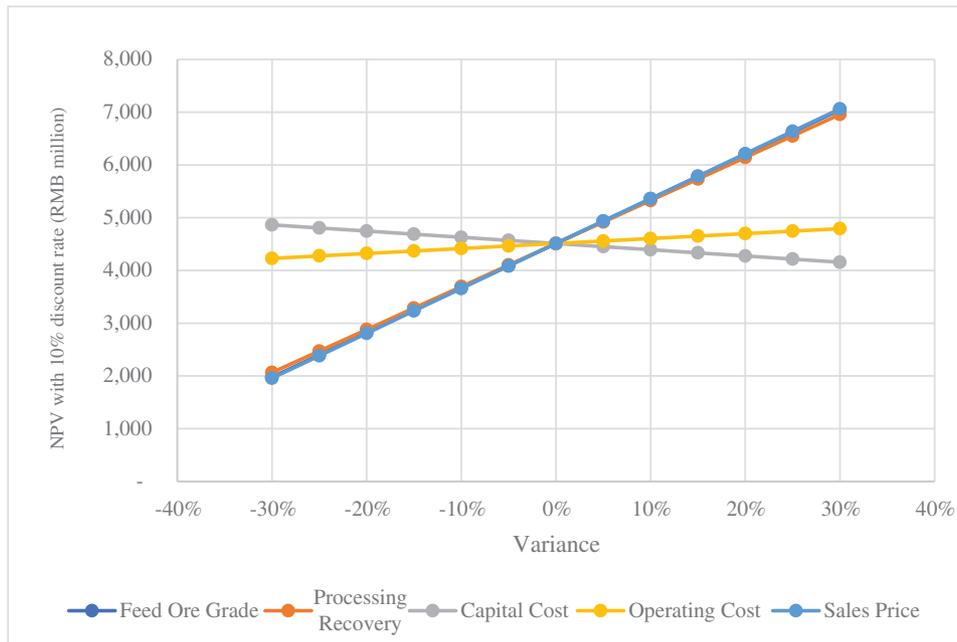
Notes:

- 1 1.2 Mt stockpile has been included in the production schedule.
- 2 Phase I Development.
- 3 Phase II Development.
- 4 The cost for equipment replacement and refurbishment has been allocated to the processing cost, amounting to RMB3.29 million per year.
- 5 General and administrative costs include a payment of approximately RMB1.0 million per year to the Kazakhstan Government for the mine rehabilitation fee.

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Our forecast cash operating costs may differ from the actual future cash operating costs due to numerous factors, including the factors described in "Risk Factors." In addition, please refer to "Forward-looking Statements" for the risks of placing undue reliance on any forward-looking information.

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 and sales price) on the net present values (NPVs) of the Boguty Project:

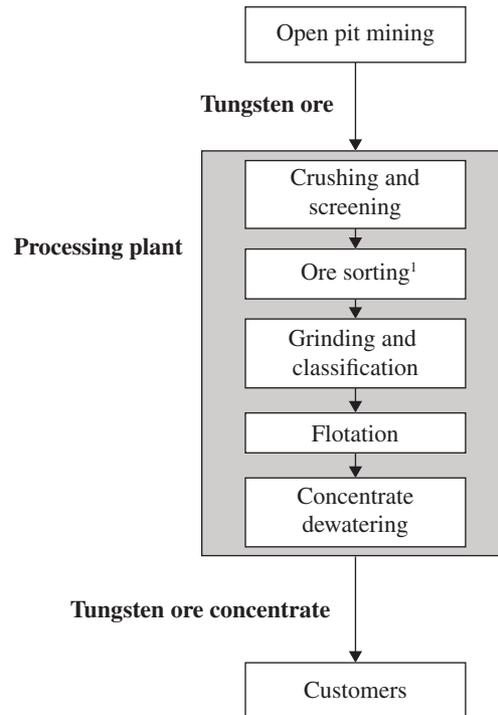


Source: Independent Technical Report

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MINING OPERATIONS AND PROCESSING FACILITIES

Our production process is expected to involve two main processes: mining and processing. 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 plan to 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 will be 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 will be 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 will be carried out by hydraulic excavators with 5.5 m³ bucket capacities and front-end loaders. A fleet of articulated haulage trucks (55 t) will transport the ore to the processing plant and stockpiles. The waste will be transported directly to the waste rock dump (WRD).

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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 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 “Business—Mining Operations and Processing Facilities—Processing” and “Appendix III—Independent Technical Report—Mineral processing.”

OUR PRODUCT

Our product is expected to comprise scheelite concentrate containing 65% WO₃. Scheelite concentrate containing 65% WO₃ 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

During the Track Record Period and up to the Latest Practicable Date, we did not produce any products for sale. We expect to commence trial production and initial sales of tungsten products in the third quarter of 2024. We then plan to commence commercial production in the first quarter of 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 [REDACTED] received from the [REDACTED]. For more details, see “Future Plans and Use of [REDACTED].” We expect to sell our tungsten products primarily to the PRC in the near term. After we commence the production of APT and WC in the future, we may also sell our products to Europe and other overseas markets. 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.

SUMMARY

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 and transportation services. We consider several factors in the evaluation and selection process of our suppliers, such as their background, reputation, industry experience and the quality and prices of their goods or services.

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 following internal evaluation and selection processes. 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 to 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 a supplemental agreement with CCECC on July 20, 2023 and amended the expected construction completion time from July 31, 2023 in the original EPC contract to December 31, 2023. As of the Latest Practicable Date, further delays had occurred to the constructions and we were in the process of further amending the expected construction completion time with CCECC to reflect the actual construction progress. The total contract sum payable by us to CCECC under the EPC contract is RM1,091.6 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.

In the years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023, aggregate purchases from our five largest suppliers amounted to HK\$14.3 million, HK\$214.0 million and HK\$729.0 million, respectively, accounting for 69.4%, 94.2% and 98.1% of our total purchases, respectively. Purchases from our largest supplier for the same periods, CCECC, totaled HK\$9.5 million, HK\$202.6 million and HK\$718.7 million, respectively, representing 45.8%, 89.2% and 96.7% of our total purchases, respectively.

Save for CCECC, all of our five largest suppliers in each period during the Track Record Period were Independent Third Parties. Save for CCECC, 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 period during the Track Record Period. During the Track Record Period, none of our suppliers were also our customers.

SUMMARY

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 WO₃ as of September 30, 2023. 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 September 30, 2023 in terms of Mineral Resources of WO₃, having the world’s largest designed tungsten concentrate production capacity among single tungsten mines, according to Frost & Sullivan.

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(1) and 18.04 of the Listing Rules. For details, please refer to the section “Waivers from Strict Compliance with the Listing Rules” in this document.

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 43.35%, and by Jiangxi Copper HK, a company wholly owned by Jiangxi Copper, as to 41.65%, respectively. Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Ever Trillion and Jiangxi Copper HK will own approximately [REDACTED]% and [REDACTED]% 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 [REDACTED]. See “Relationship with our Controlling Shareholders” for details.

OUR PRE-[REDACTED] INVESTORS

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

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 document, as well as the information set forth in “Financial Information” of this document. 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 nine months ended September 30,	
	2021	2022	2022	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i> <i>(Unaudited)</i>	<i>HK\$’000</i> <i>(Unaudited)</i>
Administrative expenses	(33,666)	(41,061)	(27,961)	(52,056)
Other gains/(losses), net	5,485	(34,029)	(9,977)	(32,862)
Operating loss	(28,181)	(75,090)	(37,938)	(84,918)
Finance income	2,873	5,293	4,498	1,874
Finance costs	(809)	(24,653)	(10,117)	(4,648)
Finance income/(costs), net	2,064	(19,360)	(5,619)	(2,774)
Loss before income tax	(26,117)	(94,450)	(43,557)	(87,692)
Income tax expense	—	—	—	—
Loss for the year/period	<u>(26,117)</u>	<u>(94,450)</u>	<u>(43,557)</u>	<u>(87,692)</u>

Our Boguty Project was in the exploration and development stage throughout the Track Record Period. As a result, we did not recognize any revenue or cost of sales and 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 of Our Group” and “Financial Information—Results of Operations of Our Group.”

Summary of Consolidated Statements of Financial Position

	As of December 31,		As of September 30,
	2021	2022	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i> <i>(Unaudited)</i>
Non-current assets	214,416	550,403	1,274,039
Current assets	310,231	105,524	176,686
Current liabilities	216,592	222,758	193,497
Non-current liabilities	186,738	402,123	1,113,687
Net current assets/(liabilities)	93,639	(117,234)	(16,811)
Net assets	121,317	31,046	143,541

SUMMARY

Our net current liabilities positions as of December 31, 2022 and September 30, 2023 were primarily due to the fact that our Boguty Project has not commenced production 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 of Our Group.”

Summary of Consolidated Statements of Cash Flows

	For the year ended December 31,		For the nine months ended September 30,	
	2021	2022	2022	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i> <i>(Unaudited)</i>	<i>HK\$'000</i> <i>(Unaudited)</i>
Net cash used in operating activities	(31,223)	(47,507)	(30,596)	(40,584)
Net cash used in investing activities	(157,073)	(311,332)	(193,978)	(591,818)
Net cash generated from financing activities	<u>461,008</u>	<u>189,881</u>	<u>138,783</u>	<u>692,729</u>
Net increase/(decrease) in cash and cash equivalents	272,712	(168,958)	(85,791)	60,327
Cash and cash equivalents at beginning of the year/period . . .	12,972	287,994	287,994	99,496
Effects of exchange rate changes on cash and cash equivalents . . .	<u>2,310</u>	<u>(19,540)</u>	<u>(19,365)</u>	<u>6,037</u>
Cash and cash equivalents at end of the year/period.	<u><u>287,994</u></u>	<u><u>99,496</u></u>	<u><u>182,838</u></u>	<u><u>165,860</u></u>

We had net cash used in operating activities during the Track Record Period as our Boguty Project was in the exploration and development stage throughout 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 and internal funds. Going forward, we believe our liquidity requirements will be satisfied by using funds from a combination of bank balances, net [REDACTED] from the [REDACTED], 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, unutilized bank facilities and the estimated net [REDACTED] from this [REDACTED], our Directors are of the opinion, and the Sole Sponsor concurs, that we 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 document.

SUMMARY

KEY FINANCIAL RATIOS

	As of December 31,		As of September 30,
	2021	2022	2023
			<i>(Unaudited)</i>
Current ratio ⁽¹⁾	1.4	0.5	0.9
Gearing ratio ⁽²⁾	39.0%	93.8%	86.4%
Debt to equity ratio ⁽³⁾	63.9%	1,505.0%	637.3%

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/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/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/period and multiplied by 100%.

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.

[REDACTED] STATISTICS

	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]	Based on an [REDACTED] of HK\$[REDACTED] per [REDACTED]
Market capitalization ⁽¹⁾	[REDACTED]	[REDACTED]
Unaudited [REDACTED] adjusted consolidated net tangible assets per Share ⁽²⁾⁽³⁾	[REDACTED]	[REDACTED]

Note:

- (1) The calculation of the market capitalization of our Shares is based on [REDACTED] Shares expected to be in issue and outstanding immediately following the completion of the [REDACTED] and [REDACTED], assuming the [REDACTED] is not exercised.

SUMMARY

- (2) The unaudited [REDACTED] adjusted consolidated net tangible assets per Share is calculated based on [REDACTED] Shares were in issue following the completion of [REDACTED] 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 [REDACTED], 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 document.
- (3) No adjustment has been made to the unaudited [REDACTED] adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to September 30, 2023.

NO MATERIAL ADVERSE CHANGE

Our Directors confirmed that, since September 30, 2023 (being the end of the period reported in the Accountant’s Report set out in Appendix I) and up to the date of this document, 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 document.

FUTURE PLANS AND USE OF [REDACTED]

We estimate that we will receive net [REDACTED] of approximately [REDACTED] after deducting the [REDACTED] and expenses payable by us in the [REDACTED], assuming no exercise of the [REDACTED] and assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per [REDACTED] set out in this document. We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- (i) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the capital costs for the development of our Boguty Project, of which:
 - (a) approximately [REDACTED]%, or HK\$[REDACTED], will be used to settle the construction costs payables under our construction contracts in relation to the beneficiation plants, tailings ponds and necessary mining infrastructure of our Boguty Project;
 - (b) approximately [REDACTED]%, or HK\$[REDACTED], will be used for miscellaneous expenses;
- (ii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the development of our ore sorting system;
- (iii) approximately [REDACTED]%, or HK\$[REDACTED], will be used to fund the development of our ammonium paratungstate (APT) production capabilities;
- (iv) approximately [REDACTED]%, or HK\$[REDACTED] will be used to repay the aggregate principal amounts and interest accrued on a portion of our bank borrowings; and
- (v) approximately [REDACTED]%, or HK\$[REDACTED] million, will be allocated for working capital and other general corporate purposes.

See “Future Plans and Use of [REDACTED]” for details.

SUMMARY

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:

- As a mining company at the development stage, we have a limited operating history and our past performance may not serve as an adequate measure of our future prospects and results of operations.
- We may not generate any revenue and grow our business as planned.
- We have no 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 mining operations are currently concentrated at one mining site, the Boguty Project in Kazakhstan and our business operation depends on this single mining project.
- The tungsten Reserves and Resources data presented in this document 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.
- 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, which are subject to factors beyond our control.
- 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.
- Our development plan may be delayed or may not progress within budget or achieve commercial viability.
- 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.
- We recorded net operating cash outflows in the past.

SUMMARY

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 in “Business—Our Mineral Assets and Mining Rights—Major Licenses, Permits and Approvals—Our Subsoil Use Contract,” “Risk Factors—Risks Relating to Our Business—We may not be able to obtain, maintain or renew permits, licenses or mining contracts or fully comply with their terms,” “—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” and “—Our operations could be materially and adversely affected by new potential strains of the COVID-19 virus or other public health emergency,” 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.

[REDACTED] EXPENSES

The total amount of [REDACTED] expenses that will be borne by us in connection with the [REDACTED], including [REDACTED], is estimated to be [REDACTED] (representing [REDACTED]% of gross [REDACTED] from the [REDACTED], based on the mid-point of the indicative [REDACTED]), of which [REDACTED] is expected to be accounted for as a deduction from equity in accordance with the relevant accounting standard. The remaining fees and expenses of [REDACTED] were or are expected to be charged to our consolidated statements of profit or loss, of which approximately [REDACTED] was charged to our administrative expenses for the year ended December 31, 2022, approximately [REDACTED] was charged to our administrative expenses for the nine months ended September 30, 2023 and approximately [REDACTED] 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 [REDACTED] 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.

SUMMARY

OUR [REDACTED] ON THE AIX

Starting from June 1, 2022 (following the retrospective amendments introduced by the Law on Amendments), (i) the [REDACTED] 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 [REDACTED]. Nevertheless, in order for the investors to enjoy the benefits of the AIFC Exemption, our Shares will be [REDACTED] and offered for [REDACTED] on the AIX. In connection with the [REDACTED], [REDACTED] [has been] made to the AIX to (i) admit our Shares to be [REDACTED] pursuant to the [REDACTED] to the official list of the AIX; and (ii) admit the Shares for [REDACTED] on the AIX.

Our Company intends to maintain the [REDACTED] of our Shares on the official list of the AIX alongside the [REDACTED] of our Shares on the Stock Exchange. [REDACTED] [has been] made to (i) the Stock Exchange for the [REDACTED] of, and permission to deal in, our Shares in issue and to be issued pursuant to the [REDACTED]; and (ii) the AIX to admit our Shares to be [REDACTED] pursuant to the [REDACTED] to the official list of the AIX, and to admit the Shares for [REDACTED] on the AIX. Our Company has obtained permission of the MIC dated October 18, 2023 for the [REDACTED] on the Stock Exchange and the AIX.

The [REDACTED] will be led by and managed solely by the [REDACTED]. Prospective investors who intend to participate in the [REDACTED] should review this document, which contains important information about the [REDACTED]. Please see “Information about this Document and the [REDACTED]—Application for [REDACTED] on The Hong Kong Stock Exchange and the AIX” for the [REDACTED] timetable.

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 [REDACTED] 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 [REDACTED] 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.”

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- 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 [REDACTED] 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 [REDACTED] 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 [REDACTED] 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.” and
- the AIFC Market Rules and the AIX Business Rules currently do not have rules and regulations corresponding or similar to the Takeovers Code under the AIX and the AIFC regulatory frameworks; please refer to “Appendix V—Further Information About [REDACTED] 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.”

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 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.