

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 our [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 our [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 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.

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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 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 [REDACTED]. 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% WO₃ 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 document:

Classification	Tonnage	Grade	Contained WO ₃
	<i>(Mt)</i>	<i>(WO₃%)</i>	<i>(kt)</i>
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

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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 June 30, 2025 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	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 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 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

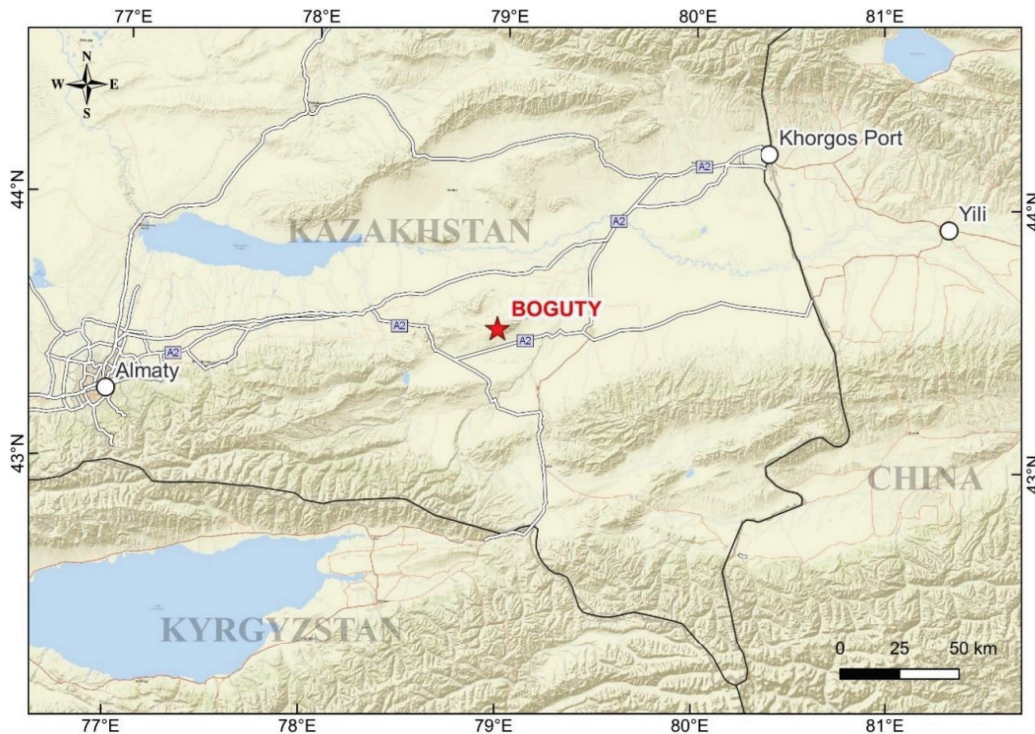
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had complied with all of the covenants under the facility agreement and had not received any notification of breach from the lending bank. Our Directors confirm that we had not pledged our mining rights under the SSU Contract to secure any bank facilities 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 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 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.

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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

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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

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Period	TMM	ROM	Grade	HG Tonnes	HG Grade	MG Tonnes	MG Grade	LG Tonnes	LG Grade	Waste	Stripping Ratio	Feed	Feed Grade
<i>Unit</i>	<i>kt</i>	<i>kt</i>	<i>WO₃ %</i>	<i>kt</i>	<i>WO₃ %</i>	<i>kt</i>	<i>WO₃ %</i>	<i>kt</i>	<i>WO₃ %</i>	<i>kt</i>	<i>t:t</i>	<i>kt</i>	<i>WO₃ %</i>
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% WO₃.
- 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% WO₃; MG (medium-grade) material is defined at a cut-off grade between 0.12% and 0.14% WO₃ and LG (low-grade) material is defined at a cut-off grade of 0.06% WO₃.
- 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.”

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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	
<i>Labour</i>	3.6
<i>Consumables</i>	15.8
<i>Fuel, electricity and water</i>	15.1
<i>Maintenance and other services</i>	0.3
<i>Subtotal</i>	34.9
General and administrative	42.1
Sales	0.0
Resource tax	0.7
Total	<u>118.4</u>

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	<u>118.4</u>

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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																	
Labour	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	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
Services																	
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

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Production Profile	Unit	Total LoM	H2 2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
				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																	
Labour	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	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
Services																	
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	124	200	162	122	131	133	132	125	129	116	115	113	113	112	113	100
	processed 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	159	235	194	151	160	161	161	154	158	144	151	149	149	148	149	179
	processed 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

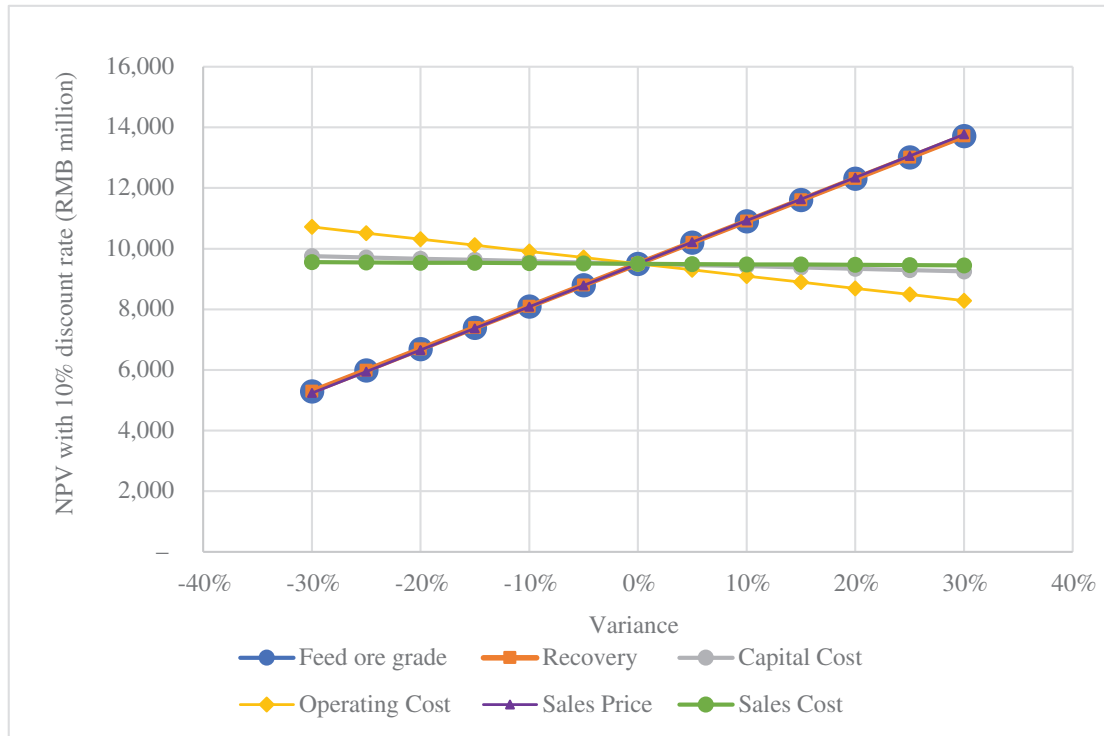
Notes:

- Target recovery rates: H2 2025:75%, 2026:83% and 78.85% (with the ore sorting system).
- The cost for equipment replacement and refurbishment has been allocated to the processing cost, amounting to RMB3.29 million per year.
- General and Administrative costs include a payment of approximately RMB1.0 million per year to the Kazakhstan Government for the mine rehabilitation fee.
- Some totals may not correspond to the sum of the separate figures due to rounding.
- High-grade ore is defined at a cut-off grade of >0.14% WO₃; Medium-grade ore is defined at a cut-off grade between 0.12%-0.14% WO₃ and low-grade ore is defined at a cut-off grade of 0.06% WO₃.

SUMMARY

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 document.

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:

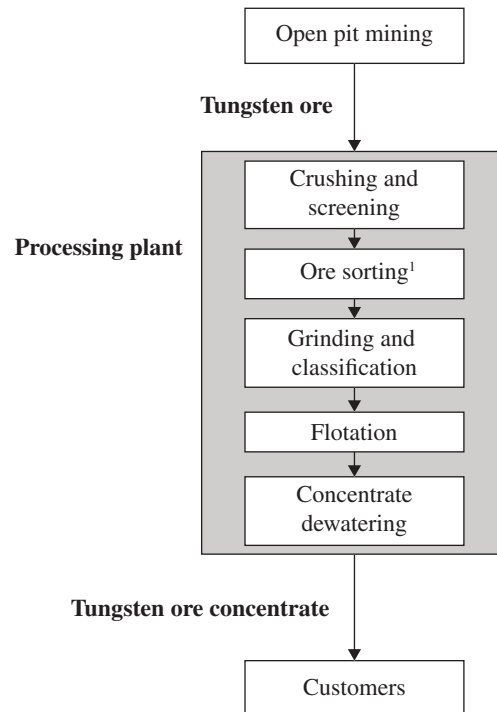


Source: Independent Technical Report

SUMMARY

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 m³ 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).

SUMMARY

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.

SUMMARY

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.

SUMMARY

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 [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.

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 [REDACTED], 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.

SUMMARY

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.

SUMMARY

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.

SUMMARY

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(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 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 [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.

SUMMARY

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 [REDACTED] and assuming the [REDACTED] 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 [REDACTED]), Goldblink would hold [REDACTED] Shares, representing [REDACTED]% of the share capital of our Company, and Ever Trillion would hold [REDACTED] Shares, representing [REDACTED]% 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-[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 six months ended June 30,	
	2022	2023	2024	2024	2025
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
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 .	<u>(94,450)</u>	<u>(80,129)</u>	<u>(176,529)</u>	<u>(64,969)</u>	<u>(6,989)</u>
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)
	<u>(94,450)</u>	<u>(80,129)</u>	<u>(176,529)</u>	<u>(64,969)</u>	<u>(6,989)</u>

SUMMARY

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
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
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 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.

SUMMARY

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 of Our Group.”

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-[REDACTED] 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.

SUMMARY

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
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
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	<u>189,881</u>	<u>1,187,770</u>	<u>88,236</u>	<u>(33,541)</u>	<u>1,567</u>
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	<u>(19,540)</u>	<u>7,769</u>	<u>(13,317)</u>	<u>(16,778)</u>	<u>(4,451)</u>
Cash and cash equivalents at end of the year/period	<u><u>99,496</u></u>	<u><u>476,687</u></u>	<u><u>41,440</u></u>	<u><u>173,225</u></u>	<u><u>32,662</u></u>

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 [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, net [REDACTED] from the [REDACTED] 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 document.

SUMMARY

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.

SUMMARY

[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.
- (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 [REDACTED], 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 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 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] fees 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. The use of [REDACTED] complies with AIX Belt and Road Market Rules BR 1.1 (R) (a) (e). We intend to use the net [REDACTED] from the [REDACTED] for the following purposes:

- (i) approximately [REDACTED]%, or [REDACTED], will be used to fund the capital costs for the development of our Boguty Project, of which:
 - (a) approximately [REDACTED]%, or [REDACTED], will be used to fund the capital costs in relation to the development of tailings ponds of our Boguty Project;

SUMMARY

- (b) approximately [REDACTED]%, or [REDACTED], will be used to fund capital costs in relation to the development of beneficiation plants of the Boguty Project;
- (c) approximately [REDACTED]%, or [REDACTED], will be used to fund the development of our ore sorting system for Phase II of our commercial production;
- (ii) approximately [REDACTED]%, or [REDACTED], will be used to fund the development of our ammonium paratungstate (APT) production capabilities;
- (iii) approximately [REDACTED]%, or [REDACTED] will be used to repay the aggregate principal amounts and interest accrued on a portion of our bank borrowings; and
- (iv) approximately [REDACTED]%, or [REDACTED], will be allocated for working capital and other general corporate purposes.

See "Future Plans and Use of [REDACTED]" 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 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.

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- 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.
- 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.

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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.

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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.

[REDACTED] EXPENSES

The total amount of [REDACTED] expenses that will be borne by us in connection with the [REDACTED] is estimated to be HK\$[REDACTED] (representing [REDACTED]% of gross [REDACTED] from the [REDACTED], based on the mid-point of the indicative [REDACTED]). The [REDACTED] expenses include [REDACTED] (based on the mid-point of the indicative [REDACTED]) of approximately [REDACTED], fees and expenses of legal advisors and accountants of approximately [REDACTED] and other fees and expenses of approximately [REDACTED], primarily including fees and expenses of financial printer, Independent Technical Consultant, background search agent and industry consultant. HK\$[REDACTED] of the [REDACTED] 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\$[REDACTED] were or are expected to be charged to our consolidated statements of profit or loss, of which approximately HK\$[REDACTED] was charged to our administrative expenses for the year ended December 31, 2022, approximately HK\$[REDACTED] was charged to our administrative expenses for the year ended December 31, 2023, approximately HK\$[REDACTED] was charged to our administrative expenses for the year ended December 31, 2024, approximately HK\$[REDACTED] was charged to our administrative expenses for the six months ended June 30, 2025 and approximately HK\$[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

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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.

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], application has been made to the AIX to (i) admit our Shares to be issued pursuant to the [REDACTED] to the Official List of the AIX Belt and Road Market Segment; 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 [REDACTED], our Shares in issue and to be issued pursuant to the [REDACTED]; and (ii) the AIX to admit our Shares to be issued pursuant to the [REDACTED] to the Official List of the AIX Belt and Road Market Segment, and to admit the Shares for [REDACTED] on the AIX. Our Company has obtained permission of the MIC dated October 14, 2024 for the [REDACTED] on the Stock Exchange and the AIX.

We have obtained official written permission of the Competent Authority on October 14, 2024 for the [REDACTED] on the Stock Exchange and for the [REDACTED] 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 [REDACTED] Shares to [REDACTED] Shares for [REDACTED] and [REDACTED] on the Main Board of the Stock Exchange and/or the AIX, the organized securities markets. The permission does not set the [REDACTED] 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.

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Our Company may choose not to proceed with the [REDACTED] unless the AIX has granted or agreed to grant approval for the [REDACTED] in the Shares on the AIX not later than 8:00 a.m. HKT on the [REDACTED]. The [REDACTED] will not proceed unless the Stock Exchange has granted approval for the [REDACTED] and [REDACTED] of Shares not later than 8:00 a.m. HKT on the [REDACTED]. Notwithstanding the foregoing, the [REDACTED] and the [REDACTED] are two separate processes. The [REDACTED] can proceed independently even if the [REDACTED] is delayed or rejected. However, our Company may choose to delay or not proceed with the [REDACTED] if the [REDACTED] is delayed or rejected given that the AIFC Exemption will not apply unless the Shares are also [REDACTED] on the AIX. The [REDACTED] is conditional upon the approval from the Stock Exchange and the [REDACTED] as certain [REDACTED] and [REDACTED] 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 [REDACTED] will not affect the legality and validity of the [REDACTED] 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 [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]. [REDACTED] Shares, which represents approximately [REDACTED]% of the [REDACTED] (subject to reallocation and assuming the [REDACTED] is not exercised), is proposed to be issued through the [REDACTED].

The [REDACTED] shall be not more than RMB[REDACTED] (equivalent to HK\$[REDACTED]) per Share and not less than RMB[REDACTED] (equivalent to HK\$[REDACTED]) per Share, at the rate of RMB[REDACTED] to HK\$1.00. The [REDACTED] on the Stock Exchange and the AIX (i.e. the [REDACTED] and the [REDACTED]) are the same.

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[REDACTED]

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 [REDACTED] on both the Stock Exchange and the AIX

In the event that the Shares are [REDACTED] 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.

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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 [REDACTED] 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%-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 [REDACTED] on the Stock Exchange only

In the event that the Shares are [REDACTED] 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%-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*”.

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Investors should consult their professional tax advisors on their exposure to Kazakhstan tax for investing and [REDACTED] 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-fulfilment 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-fulfilment.

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.”
- 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.”

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- 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.”
- AIX Business Rules provide for additional [REDACTED] 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 [REDACTED] 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 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.