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# DEEP SOURCE HOLDINGS LIMITED
# 至源控股有限公司*

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 990)**

## SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO VOLUNTARY ANNOUNCEMENT — SHARE PURCHASE AGREEMENT AND BUSINESS DEVELOPMENT

Reference is made to the announcement of Deep Source Holdings Limited (the "**Company**") dated 27 April 2026 (the "**Announcement**") in relation to the share purchase agreement and update on the Company's business development. Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide further information to the shareholders and potential investors of the Company in respect of the Acquisition.

The Company would like to clarify that the consideration for the Acquisition was determined after arm's length negotiations, taking into account the structured payment of the consideration with only a portion payable upfront and the balance only payable upon the meeting of certain milestones, the Target Company's lithium carbonate production project area in Argentina, resource potential, development prospects, and comparative market transactions. In selecting and evaluating comparable market transactions, the Company considered, among other things, the following criteria: (i) the location of the subject project area of the transaction must be in the Alizaro Salt Lake, Argentina; (ii) the transaction must have occurred within six months prior to April 2026; (iii) the asset type must be similar lithium assets, in particular lithium carbonate; and (iv) the project must be at a comparable development stage, namely an exploration-stage project with resources. Based on the foregoing criteria, the Company identified one comparable market transaction which meets all of the above requirements, particulars of which are set out below.

As disclosed in the annual report of the Seller's 87.5% shareholder 西藏珠峰資源股份有限公司, a company listed on the Shanghai Stock Exchange (stock code: 600338) ("**XZZF Annual Report**" or "**XZZF**"), the Target Company's lithium carbonate production project in Argentina covers an area of approximately 365 sq. km. and the estimated resource potential exceeds 10,000 kt of lithium carbonate equivalent.

By way of market comparison, we note that China Union Holdings Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000036), announced in December 2025 regarding the acquisition of a company, which holds an 80% interest in an Argentina project, for a consideration of approximately US$175 million. Based on publicly available information, the Argentina project, which is adjacent to our project area, covers an area of approximately 205 sq. km. and has reported lithium carbonate equivalent resources of approximately 4,122 kt.

The identified comparable market transaction satisfies the Company's selection criteria, as it relates to a project located in the Alizaro Salt Lake, Argentina, was announced or completed within six months prior to April 2026, involves a similar lithium asset, namely lithium carbonate, and relates to an exploration-stage project with resources. Accordingly, the Company considers the transaction to be a relevant comparable market transaction for the purpose of assessing the fairness of the consideration for the Acquisition.

In comparison, the Target Company holds a 100% interest in a substantially larger project. Taking into account (i) the significantly larger project area, (ii) the substantially higher resource potential, and (iii) the acquisition of a 100% interest (as opposed to an 80% interest in the comparable transaction), the consideration for the Acquisition represents a more favorable valuation on a per-resource and per-area basis when compared to the China Union Holdings Ltd. transaction.

Accordingly, the Company considers that the consideration for the Acquisition is fair and reasonable and in the interests of the Company and its shareholders as a whole.

**TARGET COMPANY'S NET ASSET ADJUSTMENT**

As disclosed in the XZZF Annual Report, the carrying value of the exploration assets under the Target Company's Argentina project is RMB349 million at the consolidated group level, while the exploration assets recorded in the Target Company's 2025 financial statements are RMB45 million. The difference of approximately RMB304 million represents the upward adjustment recognised at the consolidation level. The consolidation was performed at the XZZF level, rather than at the Target Company level. The Target Company itself does not have any subsidiary and therefore does not form a consolidated group on a standalone basis.

Accordingly, when this adjustment is added back to the project's original net asset amount of approximately RMB103 million, the total adjusted net asset value is approximately RMB407 million. Based on the total consideration of US$70 million, this implies a purchase price of approximately 1.17 times the adjusted net asset value. US$30,000,000 (out of the total consideration of US$70,000,000) shall be payable only upon the Target Company's project achieving the following cumulative lithium carbonate equivalent production milestones, with US$10,000,000 payable upon the achievement of each of the following milestones: (i) 30,000 tonnes, (ii) 60,000 tonnes, and (iii) 90,000 tonnes.

The standalone financial statements of the Target Company do not reflect this consolidation-level adjustment because they are prepared on a separate basis and do not incorporate group consolidation adjustments. The difference therefore relates to presentation and consolidation treatment, rather than a discrepancy in the underlying transaction value.

The consideration for the Acquisition was determined following arm's length negotiations between the Seller and the Company, with the adjusted net asset value of the Target Company serving as the principal reference point. In arriving at the consideration, the parties considered a range of factors which may support a premium of approximately 1.17 times over adjusted net asset value, including, among other things, the quality, scale and prospectivity of the relevant lithium assets, the exploration stage of the project, the location and infrastructure profile of the project area, comparable market transaction, prevailing market sentiment in respect of lithium assets, and the strategic benefits expected to accrue to the Group from the Acquisition.

This announcement is supplemental to, and should be read in conjunction with the Announcement. The above additional information does not affect other details and content set forth in the Announcement. Save as disclosed herein, all other contents of the Announcement remain unchanged and continue to be valid for all purposes.

By Order of the Board
**Deep Source Holdings Limited**
**Wu Lei**
*Executive Director*

Hong Kong, 7 May 2026

*As at the date of this announcement, the executive Directors are Mr. Jiang Jiang and Mr. Wu Lei; the non-executive Directors are Mr. Ding Lin and Mr. Kang Jian; and the independent non-executive Directors are Mr. Liu Song, Ms. Chan Lai Ping and Mr. Wong Hok Bun Mario.*

* *For identification purposes only*