

9 July 2025

To the Independent Board Committee

Greentech Technology International Limited
Suites 2202-04, 22/F, Tower 6
The Gateway, Harbour City
Tsim Sha Tsui, Kowloon
Hong Kong

Dear Sirs,

**UNCONDITIONAL VOLUNTARY CASH PARTIAL OFFER BY
YU MING INVESTMENT MANAGEMENT LIMITED
FOR AND ON BEHALF OF METALS X LIMITED
TO ACQUIRE UP TO 382,480,000 SHARES IN
GREENTECH TECHNOLOGY INTERNATIONAL LIMITED
(OTHER THAN THOSE ALREADY OWNED
BY METALS X LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee in relation to the Partial Offer. Details of the Partial Offer are set out in the response document dated 9 July 2025 (the “**Response Document**”) issued by the Company, of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Response Document unless the context requires otherwise.

On 3 June 2025, the Offeror notified the Company that it has a firm intention to make the Partial Offer (in compliance with the Takeovers Code) to acquire up to 382,480,000 Offer Shares (representing 28.00% of the Company's issued share capital as at the Latest Practicable Date) not already owned by the Offeror and parties acting in concert with it, at the Offer Price of HK\$0.35 per Offer Share. The making of the Partial Offer was subject to the satisfaction of the Pre-Conditions, being (i) the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code, and (ii) the obtaining of a waiver from strict compliance with Rule 28.7 of the Takeovers Code from the Executive in respect of the Partial Offer for a maximum number (rather than a precise number) of Shares.

According to the announcement made by the Offeror on 13 June 2025, the consent from the Executive in respect of the Partial Offer has been obtained and the Pre-Conditions have been fulfilled on 12 June 2025. Such consent is subject to the condition that the final closing date of the Partial Offer shall not be later than 28 days after the date of the Offer Document without the Executive's prior consent.

THE INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors, namely Datin Sri LIM Mooi Lang, Mr. KIM Wooryang and Ms. PENG Wenting, has been established to advise the Qualifying Shareholders as to whether the Partial Offer is fair and reasonable and as to its acceptance. The Independent Board Committee has approved our appointment as the independent financial adviser to the Independent Board Committee in this regard.

OUR INDEPENDENCE

Within the past two years prior to the Latest Practicable Date, other than our current engagement in relation to the Partial Offer, we were previously engaged as the independent financial adviser by the Company regarding the voluntary cash partial offer by Quam Capital Limited for and on behalf of Mangkon Road Limited in respect of the Company, as detailed in the response document of the Company dated 4 March 2025 (the "**Previous Engagement**"). Apart from normal professional fees paid or payable to us in connection with the Previous Engagement and this current engagement in relation to the Partial Offer, we did not have any other relationship with, or any interest in, the Company, the Offeror or any other parties that could reasonably be regarded as relevant to our independence. Given (i) our independent role in the Previous Engagement; (ii) none of the members of our parent group is a direct party to the Partial Offer; and (iii) our fee for this current engagement with the Company, in addition to that for the Previous Engagement, represented an insignificant percentage of revenue of our parent group, we consider the Previous Engagement would not affect our independence, and we consider ourselves independent to act as an independent financial adviser to the Independent Board Committee in respect of the Partial Offer.

BASIS OF OUR ADVICE

In formulating our opinion, we have reviewed, amongst others, (i) the announcement in relation to the Partial Offer dated 4 June 2025 and the Offer Document published by the Offeror; (ii) the Response Document; (iii) the annual reports of the Company for the years ended 31 December 2022 (the “**2022 Annual Report**”) and 2023 (the “**2023 Annual Report**”); and (iv) other relevant announcements published by the Company on the website of the Stock Exchange up to the Latest Practicable Date, including those dated 30 August 2024, 30 September 2024, 10 October 2024, 23 October 2024, 30 October 2024, 21 November 2024, 29 November 2024, 31 December 2024, 3 February 2025, 4 February 2025, 13 February 2025, 28 February 2025, 13 March 2025, 31 March 2025, 14 April 2025, 24 April 2025, 14 May 2025 and 30 May 2025. As at the Latest Practicable Date, the Company has yet to publish the unaudited interim results for the six months ended 30 June 2024 (the “**2024 Interim Results**”) and the annual results for the year ended 31 December 2024 (the “**2024 Annual Results**”).

We have relied on the statements, information and facts supplied by the Company, and the opinions expressed by the Directors and the senior management of the Group (the “**Management**”), and we have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We understand the Directors jointly and severally accept full responsibility for the accuracy of information contained in the Response Document, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Response Document have been arrived at after due and careful consideration and there are no other facts not contained in the Response Document, the omission of which would make any statement in the Response Document misleading. We also understand that, as regards the information in the Response Document relating to the Offeror and parties acting in concert with the Offeror, the terms of the Partial Offer and the intention of the Offeror regarding the Group that has been compiled or summarised from the Offer Document, the Directors’ responsibility is limited to the correctness and fairness of the extraction of such information and/or its reproduction or presentation but accept no further responsibility in respect of such information.

We consider that we have reviewed sufficient information to reach an informed view and give the advice and recommendation set out in this letter, and we have no reason to believe that any material information has been omitted or withheld, or doubt the truth or accuracy of the information provided. We have, however, not conducted any independent investigation into the business and affairs of the Group or any of their respective associates or any party acting, or presumed to be acting, in concert with any of them, nor have we carried out any independent verification of the information supplied.

Your attention is drawn to the responsibility statements as set out in the section headed “Responsibility statement” of Appendix II to the Response Document. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Response Document, save and except for this letter of advice.

Should there be any subsequent material changes to our opinion during the period from the Latest Practicable Date and up to the close of the Partial Offer, the Independent Board Committee and the Qualifying Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code.

We have not considered the tax implications on the Qualifying Shareholders of their acceptances or non-acceptances of the Partial Offer (as the case may be) since these are particulars to their own individual circumstances. In particular, the Qualifying Shareholders who are resident outside Hong Kong or subject to overseas taxes or Hong Kong taxation on securities dealings should consider their own tax position regarding the Partial Offer and, if in any doubt, should consult their own professional advisers.

PRINCIPAL FACTORS AND REASONS CONSIDERED FOR THE PARTIAL OFFER

In assessing the Partial Offer and in giving our recommendation to the Independent Board Committee, we have taken into account the following principal factors and reasons:

1. Background and financial information of the Group

The Group is principally engaged in the exploration, development and mining of tin and copper bearing ores in Australia, with its main project include the Renison Bell mine that is owned and operated by Bluestone Mines Tasmania Joint Venture Pty Ltd (“BMTJV”), which in turn is owned as to 50% by the Offeror indirectly and 50% by a non-wholly owned subsidiary of the Company. We understand from the 2022 Annual Report and the 2023 Annual Report that all of the revenue of the Group were generated from the sales of tin concentrate from mining operation for each of the years ended 31 December 2022 and 2023.

We set out below a summary of the audited consolidated financial information of the Group for the years ended 31 December 2022 and 2023, respectively, as extracted from the 2022 Annual Report and the 2023 Annual Report.

Financial performance of the Group

	Year ended 31 December	
	2023	2022
	<i>(audited)</i>	<i>(audited)</i>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Continuing operations		
Revenue [#]	820,875	931,380
Gross profit [#]	296,040	407,533
Gross profit margin [#]	36.1%	43.8%
Profit before taxation [#]	189,081	393,107
Profit for the year [*]	102,798	262,875
Profit for the year attributable to owners of the Company [*]	68,390	216,115

Figures from continuing operations.

* *Figures include a loss for the year from discontinued operation of approximately HK\$0.6 million for the year ended 31 December 2022. On 31 December 2022, the Group completed the disposal of the then wholly-owned subsidiary principally engaged in trading of mineral products operation, at a cash consideration of HK\$3.2 million, where the Group recorded a loss for the year from discontinued operation of approximately HK\$0.6 million for the year ended 31 December 2022.*

The Group recorded revenue from continuing operations of approximately HK\$820.9 million for the year ended 31 December 2023, representing an annual decrease of approximately 11.9%, mainly due to the decrease in average tin price. Gross profit margin from continuing operations reduced from approximately 43.8% for the year ended 31 December 2022 to approximately 36.1% for the year ended 31 December 2023, primarily because cost of sales remained relatively stable while revenue recorded a decline. Profit for the year decreased by approximately 60.9% from approximately HK\$262.9 million for the year ended 31 December 2022 to approximately HK\$102.8 million for the year ended 31 December 2023. Such decrease in profit for the year was mainly attributable to the combined effect of (i) the decrease in revenue; (ii) the reduction in gross profit margin; (iii) the increase in impairment on financial investment by approximately HK\$25.0 million; (iv) the absence of fair value gain of financial instrument for the year ended 31 December 2023 (year ended 31 December 2022: approximately HK\$23.0 million); and (v) the record of a net foreign exchange loss of approximately HK\$2.8 million for the year ended 31 December 2023 (year ended 31 December 2022: net foreign exchange gain of approximately HK\$20.7 million).

Overall, the Group was profitable, but the Group recorded a significant annual decline in profit attributable to owners of the Company for the year ended 31 December 2023.

Financial position of the Group

	As at 31 December	
	2023	2022
	<i>(audited)</i>	<i>(audited)</i>
	HK\$'000	HK\$'000
Non-current assets	1,268,333	1,011,342
Current assets	396,130	383,563
Non-current liabilities	259,436	227,796
Current liabilities	313,518	186,086
Net current assets	82,612	197,477
Net assets	1,091,509	981,023
Net assets attributable to owners of the Company	1,004,721	929,304

As at 31 December 2023, the Group had total assets of approximately HK\$1,664.5 million (31 December 2022: approximately HK\$1,394.9 million), which mainly comprised (i) property, plant and equipment (which primarily included mine properties and development, owned properties and plant, machinery and equipment) that are mostly located in Australia of approximately HK\$773.8 million (31 December 2022: approximately HK\$555.0 million); (ii) exploration and evaluation assets of approximately HK\$396.0 million (31 December 2022: approximately HK\$408.2 million); and (iii) cash and cash equivalents of approximately HK\$201.3 million (31 December 2022: approximately HK\$189.8 million). The aggregate book value of the property, plant and equipment, exploration and evaluation assets and cash and cash equivalents accounted for approximately 82.4% of the total assets as at year end of 2023 (31 December 2022: approximately 82.7%).

As at 31 December 2023, the Group had total liabilities of approximately HK\$573.0 million (31 December 2022: approximately HK\$413.9 million), which mainly comprised (i) trade payables and other payables and accruals aggregately amounting to approximately HK\$204.6 million (31 December 2022: approximately HK\$157.3 million); (ii) provision for rehabilitation of approximately HK\$142.7 million (31 December 2022: approximately HK\$74.6 million); (iii) deferred tax liabilities of approximately HK\$90.9 million (31 December 2022: approximately HK\$142.3 million); and (iv) tax payables of approximately HK\$87.2 million (31 December 2022: nil).

As a result, the Group recorded net assets and net assets attributable to the owners of the Company of approximately HK\$1,091.5 million and HK\$1,004.7 million, respectively, as at 31 December 2023.

Business and industry outlook

Based on the quarterly announcements of production summary, extracted from internal management records, and published by the Company, total production volume of tin metal of the Renison underground mine in 2024 was approximately 11,006 tonnes (2023: approximately 9,532 tonnes), representing an annual increase of approximately 15.46%. With reference to the 2024 Renison ore reserve update announcement of the Company dated 4 February 2025 (the “**Latest Ore Reserve Announcement**”), total Renison Bell proved and probable reserve at 31 March 2024 was approximately 8.210 million tonnes for approximately 112,200 tonnes of contained tin. We have discussed with the Management, with reference to the Latest Ore Reserve Announcement, on the latest status of the mine operation of the Group and we are advised by the Management that the mine operation of the Group still has abundant resources and reserves given, based on latest proven and probable reserves, where the estimated remaining useful life of the mines for its mine operation at the Renison Bell mine project is around 10 years.

In this regard, we have reviewed the ore reserve announcement published by the Offeror, the mining joint venture partner of the Group and owns 50% of BMTJV (i.e. the Renison Bell mine project) on the Australian Securities Exchange dated 31 January 2025 and the latest quarterly report published by the Offeror on the Australian Securities Exchange on 23 April 2025, where we note that (i) the mine life of the Renison Bell mine project remains at approximately 10 years, as mining depletion was largely offset by additional resources and reserves identified, ensuring its continued status as a significant global tin producer; and (ii) the ore reserve figures are consistent with those published in the Latest Ore Reserve Announcement aforementioned. For further technical details regarding the mines and the mining operation of the Group, please refer to the reserve update announcements that the Group publishes from time to time.

We understand tin is a commodity and its unit price has been volatile, hence an accurate forecast of future tin price cannot be reliably made. Nonetheless, we have reviewed the historical unit price of tin quoted on the website of the London Metal Exchange, where we noted the cash price of tin mainly fluctuated between US\$24,000 per tonne to US\$30,000 per tonne for the year ended 31 December 2023 and mainly fluctuated between US\$28,000 per tonne to US\$34,000 per tonne for the year ended 31 December 2024 and up to the Latest Practicable Date, demonstrating an overall increasing trend.

In respect of tin demand, we have reviewed information published on the official website of the International Tin Association (the “ITA”). The ITA was established in 1932 in London, where the organisation has evolved to recognise a broad range of tin industry issues and expanded activities in areas such as market analysis, technology, sustainability, and regulatory affairs. In particular, we understand the ITA gathers primary information about tin supply and demand, where the full and associate members of the ITA represent 73% of global tin production, including nine of the top ten global producers. According to an article titled “*The need for investment in tin future supply*” dated 19 December 2024 published by the ITA, we understand (i) tin is an essential metal, with 50% of tin used in solder, and other uses in chemicals, tinplate, lead-acid batteries, and a variety of alloys; and (ii) tin’s use in solder exposes it to the electric vehicle and solar industries, where the ITA forecasted would push tin consumption up from 357,000 tonnes in 2023 to 428,000 tonnes in 2030, representing a compound annual growth rate of approximately 2.63% during the period.

2. Major uncertainties and developments of the Group subsequent to year 2023

As at the Latest Practicable Date, the Company has yet to publish the 2024 Interim Results and the 2024 Annual Results and the trading in the Shares on the Stock Exchange is still under suspension. We have not reviewed the audited accounts nor the management accounts of the Group for financial periods after the year ended 31 December 2023, which remained outstanding as at the Latest Practicable Date given such financial information are not yet available to us and published due to the Incidents (as defined and elaborated below) as advised by the Management. With reference to the announcements of the Company dated 30 August 2024, 30 September 2024,

10 October 2024, 21 November 2024, 31 March 2025, 24 April 2025 and 30 May 2025, suspension of the trading in the Shares on the Stock Exchange began on 2 September 2024 due to the delay in publication of the 2024 Interim Results (then the delay in publication of the 2024 Annual Results), where the resumption of trading in the shares of the Company is still subject to the resumption guidance set out by the Stock Exchange (the “**Resumption Guidance**”), as further discussed below.

Incidents leading to the delay in publication of the 2024 Interim Results

The delay in publication of the 2024 Interim Results (then the delay in publication of the 2024 Annual Results) was mainly due to three corporate incidents (the “**Incidents**”) of the Company. Such Incidents include (i) the repayment of a loan (the “**Loan Repayment**”) of approximately HK\$66.1 million from Cybernaut Greentech Investment Holding (HK) Limited (“**Cybernaut**”, a substantial shareholder of the Company), by transferring the relevant proceeds to a personal bank account of a director of Cybernaut, instead of to Cybernaut’s corporate bank account, the receipt of which was denied by another director of Cybernaut; (ii) the failure to redeem investment of approximately HK\$48.4 million from a fund after its default in interest payments (the “**Fund Subscription**”), where, according to the 2023 Annual Report, the fund investment at amortised cost (i.e. net of impairment losses) amounted to approximately HK\$23.8 million as at 31 December 2023; and (iii) the investment in an associate of approximately HK\$10.2 million without approval by the board of Directors and supporting documentation (the “**Associate Investment**”), where, according to the 2023 Annual Report, the investment had already been fully written off, amounting to nil, as at 31 December 2023. For details of the Incidents, please refer to the supplemental announcement of the Company dated 21 November 2024 (the “**November Supplemental Announcement**”).

For illustrative purpose only, in respect of the financial impact of the Incidents, we consider an aggregate hypothetical adjustment of approximately HK\$89.9 million (the “**Hypothetical Adjustment**”) for our analyses in this letter, after taking into account (i) the Loan Repayment of approximately HK\$66.1 million in the scenario where the Group has to make the Loan Repayment to Cybernaut’s corporate bank account, without recovering the amount previously the Group paid to a personal bank account owned by a director of Cybernaut; (ii) the failure of redemption for the Fund Subscription at amortised cost of approximately HK\$23.8 million as at 31 December 2023; and (iii) the Associate Investment, which amounted to nil as at 31 December 2023 given it had already been fully written off, with reference to the figures mentioned in the previous paragraph. We wish to emphasise that the Hypothetical Adjustment, which was derived from accounting figures in the latest annual reports of the Group, is solely for illustration and does not in any way indicate that the Incidents would materialise in such way. We understand the Company would publish announcement when there is any material updates to the Incidents.

Resumption guidance

On 18 November 2024, the Company received the Resumption Guidance from the Stock Exchange. The Stock Exchange required the Company to meet all requirements set out in the Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its shares is allowed to resume. The Stock Exchange further indicated that it may modify or supplement the Resumption Guidance if the Company's situation changes. Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 1 March 2026. For further details of the Resumption Guidance, please refer to the November Supplemental Announcement.

The Qualifying Shareholders should note that the trading of the Shares has been suspended, where the probability or timing of trading resumption is still uncertain. We are advised by the Management that the Company is still working towards the fulfilment of the Resumption Guidance (such as the establishment of independent committee and appointment of forensic investigator as disclosed in the announcement of the Company dated 24 April 2025). However, no material progress has been made and none of the six guidance points set out in the Resumption Guidance was fulfilled as at the Latest Practicable Date. Based on the latest quarterly update on status of resumption published by the Company on 30 May 2025, (i) the business operations of the Group were continuing as usual in all material aspects notwithstanding the suspension of trading in the Shares on the Stock Exchange; and (ii) the independent investigation is in progress. The Company will make further announcement(s) to inform the Shareholders and potential investors relating to the progress and/or results of the independent investigation and the internal control review and the publication of the 2024 Interim Results and other financial information as required to be published under the Listing Rules as and when appropriate.

The Qualifying Shareholders should also note that if the Company fails to resume share trading by 1 March 2026 (being less than 8 months from the Latest Practicable Date), the Listing Division of the Stock Exchange would recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the listing of the Company, where the Qualifying Shareholders not accepting the Partial Offer might result in holding unlisted Shares following the delisting and not be able to dispose such unlisted Shares on the open market. The Qualifying Shareholders should further note that even if they tender their Shares for acceptance under the Partial Offer, if the Offeror receives valid acceptances for more than 382,480,000 Shares, only part of but not all of the Shares tendered for acceptance will be taken up under the Partial Offer. In that situation, the Qualifying Shareholders accepting the Partial Offer will also result in holding unlisted Shares (being the portion not taken up under the Partial Offer) following the delisting and not be able to dispose such unlisted Shares on the open market.

3. Information of the Offeror and its intention in relation to the Group

With reference to the Offer Document, the Offeror is a company incorporated in Australia with limited liability, the shares of which are listed on Australian Securities Exchange (ASX stock code: MLX). The principal activities of the Offeror are (i) investment in a joint venture company operating a tin mine in Australia; and (ii) investments in companies undertaking exploration and development of tin, gold and base metals projects in Australia.

The principal asset of the Offeror is its 50% interest in BMTJV, which owns and operates the Renison Tin Mine in Northwest Tasmania. BMTJV is owned as to 50% by the Offeror indirectly and 50% by a non-wholly owned subsidiary of the Company. According to the Offer Document, the Offeror (i) is confident in the long term development of the tin mine owned by BMTJV; and (ii) intends to increase its interest in BMTJV through obtaining a stake in the Company by making the Partial Offer.

As set out in “Letter from the Board” in the Response Document, as at the Latest Practicable Date, the Offeror and the Board have not had any discussion on the long-term strategic and development plan on the Group. Furthermore, no concrete or detailed plan was provided by the Offeror in the Offer Document for the business of the Group.

4. Principal terms and condition of the Partial Offer

Subject to the satisfaction of the Pre-Conditions, the Partial Offer is being made by Yu Ming for and on behalf of the Offeror in compliance with the Takeovers Code on the basis set out below:

For each Offer Share HK\$0.35 in cash

The making of the Partial Offer is subject to the satisfaction of the Pre-Conditions, being (i) the obtaining of consent from the Executive in respect of the Partial Offer pursuant to Rule 28.1 of the Takeovers Code, and (ii) the obtaining of a waiver from strict compliance with Rule 28.7 of the Takeovers Code from the Executive in respect of the Partial Offer for a maximum number (rather than a precise number) of Shares.

According to the announcement made by the Offeror on 13 June 2025, the consent from the Executive in respect of the Partial Offer has been obtained and the Pre-Conditions have been fulfilled on 12 June 2025. Such consent is subject to the condition that the final closing date of the Partial Offer shall not be later than 28 days after the date of the Offer Document without the Executive’s prior consent. The Partial Offer is not conditional on the level of acceptances.

The Partial Offer will be extended to all Qualifying Shareholders in accordance with the requirement of the Takeovers Code.

Acceptance of the Partial Offer by any Qualifying Shareholder will constitute a warranty by such Qualifying Shareholder to the Offeror that the Shares sold by it to the Offeror under the Partial Offer are fully paid, free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights and benefits at any time accruing and attaching thereto, including all rights to any dividend or other distributions the record date of which falls on or after the Closing Date.

If, up to the Closing Date, any dividend or other distribution is declared in respect of the Offer Shares and the record date of which falls on or before the Closing Date, the Offeror reserves the right to reduce the Offer Price by an amount equal to the amount of such dividend or distribution declared, made or paid in respect of each Offer Share.

As set out in “Letter from the Board” in the Response Document, as at the Latest Practicable Date, the Company did not have outstanding dividends which had been declared but not yet paid and the Company did not have any intention to declare or pay any future dividend or make other distribution on the Shares prior to the close of the Partial Offer.

5. Offer Price

5.1 Comparison of Offer Price

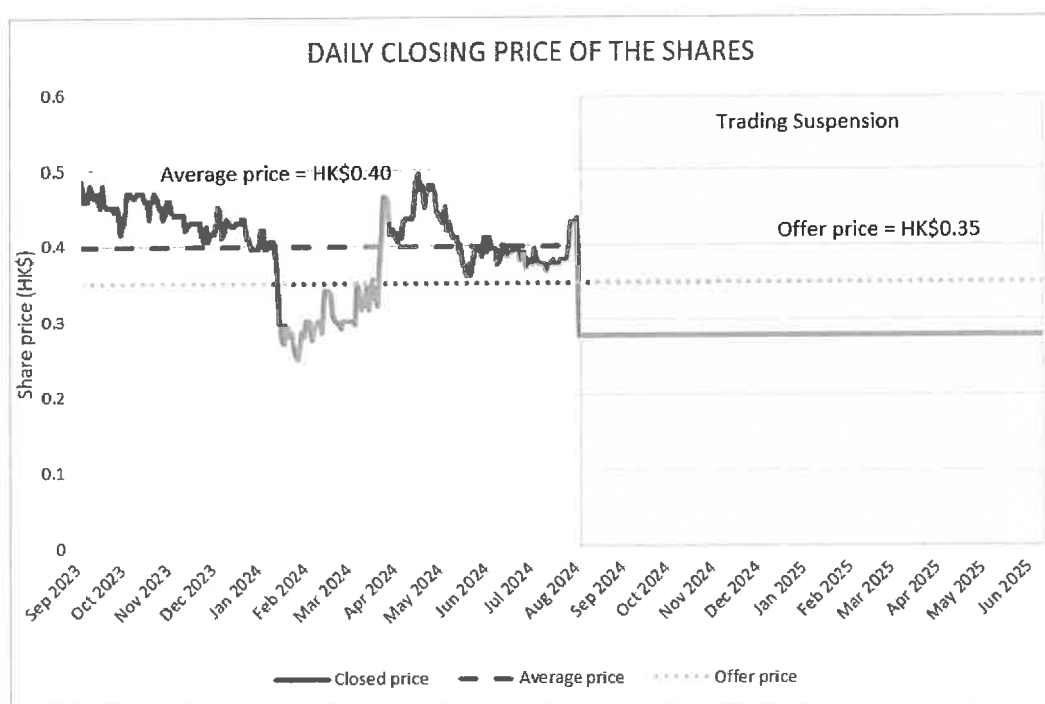
The Offer Price of HK\$0.35 per Offer Share represents:

- (i) a premium of 25.00% over the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on 30 August 2024, being the Last Trading Day;
- (ii) a discount of approximately 12.50% to the average of the closing prices of the Shares of HK\$0.40 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 10.26% to the average of the closing prices of the Shares of HK\$0.39 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 7.89% to the average of the closing prices of the Shares of approximately HK\$0.38 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day; and
- (v) a discount of approximately 52.70% to the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$0.74 per Share as at 31 December 2023, calculated based on the audited consolidated net asset value attributable to the owners of the Company of approximately HK\$1,004.7 million as at 31 December 2023 and 1,366,000,000 Shares in issue as at the Latest Practicable Date.

5.2 Historical price performance of the Shares

To assess the fairness and reasonableness of the Offer Price, we have performed a review on the daily closing prices of the Shares from 1 September 2023 to 30 August 2024, being the 12-month period up to the last trading day before the trading suspension of the Shares (the “**Review Period**”). We consider that the duration of the Review Period to be a reasonable and sufficient period to illustrate the closing price movement of the Shares as it covered reasonably sufficient duration prior to trading suspension of Shares to reflect the general market reaction on the Shares.

The daily closing prices of the Shares for the Review Period and up to the Latest Practicable Date are illustrated as follows:



During the Review Period, the average closing price was approximately HK\$0.40 per Share (the “**Average Share Price**”) and the closing prices ranged from HK\$0.25 per Share (the “**Lowest Share Price**”) to HK\$0.495 per Share (the “**Highest Share Price**”).

The closing price of the Shares showed a general downward trend from around HK\$0.48 per Share in the beginning of September 2023 to around HK\$0.40 per Share in mid-January 2024. Then, the closing price plummeted to the Lowest Share Price of HK\$0.25 on 7 February 2024, but the closing price recovered (particularly following the publication of the annual results announcement in late March 2024) to the Highest Share Price on 8 May 2024 of HK\$0.495. Nonetheless, the closing prices mainly fluctuated between HK\$0.36 to HK\$0.40 per Share in June 2024 to August 2024. The closing price reached HK\$0.435 per Share on 29 August 2024, but plummeted to HK\$0.28 per Share the next day on 30 August 2024 (being the Last Trading Day),

representing a decline of approximately 35.63% for a single trading day. In view of such fluctuation, we have discussed with the Management regarding the possible reasons, and we were advised that, the Management were not aware of any particular matters which might possibly have a material impact on the Share prices apart from the publications made by the Company on the website of the Stock Exchange. We have also reviewed the Company's publications and we are not aware of any other matters that were price sensitive in nature.

We note that the Offer Price of HK\$0.35 per Offer Share represents (i) a premium of 25.00% over the closing price of the Shares on the Last Trading Day; (ii) a premium of 40.00% over the Lowest Share Price; (iii) a discount of approximately 29.29% to the Highest Share Price; and (iv) a discount of approximately 12.50% to the Average Share Price for the Review Period. The Qualifying Shareholders should note that the trading of the Shares has been suspended since 2 September 2024, nonetheless, after having considered that (i) the Review Period is the latest available timeframe for reference; (ii) the trading of the Shares has been suspended for less than a year, rather than several years; and (iii) the trading price is an important indicator of the then market value of the Shares, we consider our analysis to be relevant.

We further note that, based on the 1,366,000,000 Shares in issue, the Offer Price implies a market capitalisation of approximately HK\$478.1 million, whereas the closing Share price on the Last Trading Day implies a market capitalisation of approximately HK\$382.5 million. For illustrative purpose only, in the extreme scenario where the net assets of the Group is reduced by the Hypothetical Adjustment of approximately HK\$89.9 million and the market capitalisation of the Company is also reduced by the same amount on a conservative basis (considering the price to net assets ratio of the Group has been lower than 1), the adjusted market capitalisation as at the Last Trading Day would be approximately HK\$292.6 million, implying an adjusted price per Share of approximately HK\$0.21, where the Offer Price of HK\$0.35 would represent a premium of approximately 66.67% over such adjusted price per Share. We wish to emphasise that such extreme scenario is solely for illustration and does not indicate that the Incidents would materialise in such way.

5.3 Historical trading liquidity of the Shares

The following table sets out the trading volume of the Shares during the Review Period:

	Total trading volume (No. of Share)	No. of trading days	Average daily trading volume of the Shares	Percentage of average daily trading volume to the total number of Shares in issue (Note 1)	Percentage of average daily trading volume to the total number of Shares held by the public (Note 2)
2023					
September	4,858,000	19	255,684	0.0187%	0.0413%
October	5,724,000	20	263,700	0.0193%	0.0426%
November	2,488,000	22	113,091	0.0083%	0.0183%
December	2,234,000	19	117,579	0.0086%	0.0190%
2024					
January	6,786,000	22	308,455	0.0226%	0.0498%
February	5,236,000	19	275,579	0.0202%	0.0445%
March	3,526,000	20	176,300	0.0129%	0.0285%
April	12,274,528	20	613,726	0.0449%	0.0991%
May	7,432,000	21	353,905	0.0259%	0.0571%
June	4,580,000	19	241,053	0.0176%	0.0389%
July	3,948,000	22	179,455	0.0131%	0.0290%
August (up to the Last Trading Day)	27,502,000	22	1,250,091	0.0915%	0.2018%

Source: the website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Based on the average daily trading volume of Shares divided by the total issued Shares of the Company (i.e. 1,366,000,000 Shares throughout the Review Period).
2. Based on the average daily trading volume of Shares divided by the total number of Shares held by public Shareholders (i.e. 619,527,647 Shares throughout the Review Period).

As shown in the table above, during the Review Period, the trading liquidity of the Shares was thin. The average daily trading volume ranged from approximately 113,091 Shares in November 2023 to approximately 1,250,091 Shares in August 2024 (up to the Last Trading Day), representing approximately 0.0083% to 0.0915% of the total number of Shares in issue, or representing approximately 0.0183% to 0.2018% of the total number of Shares held by the public Shareholders. Moreover, the average daily trading volume of the Shares had accounted for merely

0.0253% of the total number of Shares in issue and approximately 0.0558% of the total number of Shares held by the public Shareholders throughout the Review Period. It is also noted that 51 out of the 245 trading days during the Review Period recorded no trading.

In addition, the trading of the Shares has been suspended, where the probability or timing of trading resumption is still uncertain and, even if the trading of the Shares has resumed, the Qualifying Shareholders (especially those with relatively sizeable shareholdings) may encounter difficulties in selling a significant number of Shares in the open market in one batch in view of the historically inactive trading of the Shares. Therefore, the Partial Offer provides an exit alternative at the Offer Price for the Qualifying Shareholders who would like to realise their investments in the Shares, particularly if they have relatively sizeable shareholdings or if they want to realise their investments in the near term given the uncertainties in trading resumption.

5.4 Comparison of Offer Price against net asset value per Share

The closing price of the Shares of HK\$0.28 as at the Last Trading Day represented a discount of approximately 62.16% to the net asset value attributable to the Shareholders per Share (“NAV per Share”) of approximately HK\$0.74 as at 31 December 2023.

We note that the Offer Price of HK\$0.35 per Offer Share represents a discount of approximately 52.70% to the NAV per Share as at 31 December 2023 of approximately HK\$0.74. For illustrative purpose only, if the net assets of the Group as at 31 December 2023 were reduced by the Hypothetical Adjustment of approximately HK\$89.9 million, the adjusted NAV per Share as at 31 December 2023 would be approximately HK\$0.67, where the Offer Price of HK\$0.35 would represent a discount of approximately 47.76% to such adjusted NAV per Share. We wish to emphasise that such extreme scenario is solely for illustration and does not indicate that the Incidents would materialise in such way.

5.5 Price ratio analysis

In assessing the fairness and reasonableness of the Offer Price, it is a general practice to review the price ratios (such as price to earnings and price to book ratios) of comparable companies listed on the Stock Exchange that are principally engaged in similar business activities. Nonetheless, to the best of our knowledge, we are not able to identify such comparable companies (i.e. being principally engaged in the mining and sale of tin) for us to perform a price ratio analysis in relation to the Offer Price.

RECOMMENDATION

Despite the Offer Price represents a discount to the NAV per Share as at 31 December 2023 after primarily taking into account:

- the Offer Price of HK\$0.35 per Offer Share (i) represents a premium of 25.00% over the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) is comparable with the average of the closing prices of the Shares of approximately HK\$0.38 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day; and (iii) is within the range of closing price per Share during the Review Period. Despite the trading of the Shares has been suspended since 2 September 2024, after having considered that (i) the Review Period is the latest available timeframe for reference; (ii) the trading of the Shares has been suspended for less than a year, rather than several years; and (iii) the trading price is an important indicator of the then market value of the Shares, we consider our analysis to be relevant;
- trading of the Shares has been suspended since 2 September 2024 and we note that no material progress on resumption has been made and none of the six guidance points set out in the Resumption Guidance was fulfilled as at the Latest Practicable Date, where the probability or timing of trading resumption is still uncertain. The Company may be delisted if the Company fails to resume share trading by 1 March 2026 (being less than 8 months from the Latest Practicable Date), where the Qualifying Shareholders not accepting the Partial Offer might result in holding unlisted Shares following the delisting and not be able to dispose such unlisted Shares on the open market;
- the trading liquidity of the Shares was thin, where the Qualifying Shareholders (especially those with relatively sizeable shareholdings) may encounter difficulties in selling a significant number of Shares in the open market in one batch in view of the historically inactive trading of the Shares even if the trading of the Shares has resumed; and
- in the extreme scenario where the market capitalisation as at the Last Trading Day is reduced by the Hypothetical Adjustment of approximately HK\$89.9 million, the adjusted market capitalisation as at the Last Trading Day would be approximately HK\$292.6 million, implying an adjusted price per Share of approximately HK\$0.21, where the Offer Price of HK\$0.35 would represent a premium of approximately 66.67% over such adjusted price per Share,

we are of the opinion that the Partial Offer is fair and reasonable so far as the Qualifying Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Qualifying Shareholders to accept the Partial Offer.

The Qualifying Shareholders should be aware that, the trading of the Shares has been suspended, where the probability or timing of trading resumption is still uncertain as at the Latest Practicable Date. If the Company fails to resume share trading by 1 March 2026, the Listing Division of the Stock Exchange would recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the listing of the Company, where the Qualifying Shareholders not accepting the Partial Offer might result in holding unlisted Shares following the delisting and not be able to dispose such unlisted Shares on the open market. The Qualifying Shareholders should further note that even if they tender their Shares for acceptance under the Partial Offer, if the Offeror receives valid acceptances for more than 382,480,000 Shares, only part of but not all of the Shares tendered for acceptance will be taken up under the Partial Offer. In that situation, the Qualifying Shareholders accepting the Partial Offer will also result in holding unlisted Shares (being the portion not taken up under the Partial Offer) following the delisting and not be able to dispose such unlisted Shares on the open market.

The Qualifying Shareholders are advised that the decision to accept or not to accept the Partial Offer is subject to individual circumstances and investment objectives. As at the Latest Practicable Date, trading of the Shares remains suspended, where the Partial Offer may be an exit alternative to realise investments in the Shares, particularly for the Qualifying Shareholders who have relatively sizeable shareholdings or who want to realise their investments in the near term given the uncertainties in trading resumption.

We would like to draw the attention of the Qualifying Shareholder to the fact that the publication of the 2024 Interim Results (then the 2024 Annual Results) has been delayed due to the Incidents. We have not reviewed the audited accounts nor the management accounts of the Group for financial periods after the year ended 31 December 2023, which remained outstanding as at the Latest Practicable Date given such financial information are still not yet available to us and published due to the Incidents as advised by the Management. Qualifying Shareholders are reminded to assess the latest developments and situation of the Group. If the trading of the Shares could be resumed during the Offer Period, the Qualifying Shareholders who wish to accept the Partial Offer are reminded to consider to sell their Shares in the open market, instead of accepting the Partial Offer if the then market price of the Shares is higher than the Offer Price. The Qualifying Shareholders are also reminded that if valid acceptances of more than 382,480,000 Offer Shares are received, the Qualifying Shareholders may not be able to fully realise their Shares, in case they opt to accept the Partial Offer.

As different Qualifying Shareholders would have different investment criteria, objectives, risk preference and tolerance level and/or circumstances, we would recommend any Qualifying Shareholder who may require advice in relation to any aspect of the Response Document, or as to the action to be taken, to consult a licensed securities dealer, bank manager, solicitor, professional accountant, tax adviser or other professional adviser before making the decision to, whether or not, accept the Partial Offer. The Qualifying Shareholders should read carefully the procedures for accepting the Partial Offer as detailed in the Offer Document.

Yours faithfully,
For and on behalf of
First Shanghai Capital Limited



Edmond Kwan
Managing Director



Kenneth Yam
Executive Director



Roger Tang
Director

Mr. Edmond Kwan and Mr. Kenneth Yam are licensed persons registered with the SFC and the responsible officers of First Shanghai Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. Mr. Roger Tang is a licensed person registered with the SFC and a representative of First Shanghai Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. Mr. Edmond Kwan, Mr. Kenneth Yam and Mr. Roger Tang have more than seventeen, thirteen and seventeen years of experience in the corporate finance industry, respectively.