



SOMERLEY CAPITAL LIMITED

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18 December 2025

To the Offer Shareholders

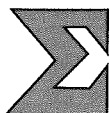
Dear Sir or Madam,

**UNCONDITIONAL MANDATORY GENERAL CASH OFFER BY
SOMERLEY CAPITAL LIMITED
FOR AND ON BEHALF OF
PROMINENCE INVESTMENT HOLDING COMPANY LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
ADD NEW ENERGY INVESTMENT HOLDINGS GROUP LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
PROMINENCE INVESTMENT HOLDING COMPANY LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

Reference is made to the Joint Announcement dated 4 November 2025 regarding, among other things, the Sale and Purchase Agreement entered into among the Vendors, as sellers, and the Offeror and Purchaser B, as purchasers, for the sale and purchase of the Sale Shares, being an aggregate of 194,959,831 Shares (representing approximately 55.66% of the issued share capital of the Company as at the date of the Joint Announcement). Completion of the Sale and Purchase Agreement took place on 15 October 2025 immediately after the entering into of the Sale and Purchase Agreement.

The consideration for the Sale Shares is HK\$80,000,000 (equivalent to approximately HK\$0.4103 per Sale Share). The consideration payable by the Purchasers to the Vendors for the Sale Shares had been settled in full in cash by the Offeror with its own resources and by Purchaser B with an unsecured loan of approximately HK\$8,003,396, representing the full consideration and the stamp duty payable by Purchaser B in respect of his Sale Shares acquired, made by the Offeror to Purchaser B for full payment of the consideration and the stamp duty payable by Purchaser B, respectively. The aforementioned loan is interest-free and repayable within three years from the date of payment of the consideration, i.e. on or before 14 October 2028.



Immediately before Completion, the Offeror, its ultimate beneficial owners and the parties acting in concert with any of them (including Purchaser B) did not hold, own, control or have direction over any Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Immediately following Completion and as at the Latest Practicable Date, the Offeror, its ultimate beneficial owners and the parties acting in concert with any of them (including Purchaser B) were interested in an aggregate of 194,959,831 Shares, representing approximately 55.66% of the entire issued share capital of the Company.

Pursuant to Rule 26.1 of the Takeovers Code, following Completion, the Offeror is required to make an unconditional mandatory general offer in cash for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it). We, Somerley Capital Limited, have been appointed by the Offeror to make the Offer for and on behalf of it.

This letter forms part of this Composite Document and sets out, among other things, the principal terms of the Offer, the information of the Offeror and its intention in relation to the Company. Further details of the Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance.

Your attention is also drawn to information contained in the letter from the Board, the letter from the Independent Board Committee, the letter from the Independent Financial Adviser and the appendices set out in this Composite Document. You are advised to read and consider all the information contained in this Composite Document before reaching a decision as to whether or not to accept the Offer.

THE OFFER

Principal terms of the Offer

Somerley Capital Limited is, for and on behalf of the Offeror, making the Offer in compliance with the Takeovers Code on the following terms:

For each Offer Share HK\$0.4104 in cash

The Offer Price of HK\$0.4104 per Offer Share is roughly equivalent to but higher than the purchase price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

As at the Latest Practicable Date, there were 350,286,528 Shares in issue. The Company did not have any outstanding options, derivatives, warrants or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which were convertible or exchangeable into any Shares or other types of equity interest as at the Latest Practicable Date.



The Offer is extended to all Offer Shareholders in accordance with the Takeovers Code. The Offer extends to all Shares in issue on the date on which the Offer is made, being the date of despatch of this Composite Document, other than those Shares already held by or agreed to be acquired by the Offeror and the parties acting in concert with it.

The Offer Shares to be acquired under the Offer shall be fully paid and shall be acquired free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights of any nature and together with all rights attaching to them, including the right to receive all dividends and distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. As disclosed in the letter from the Board, as at the Latest Practicable Date, no dividend and/or other distribution had been declared but not yet paid to the Shareholders, nor did the Board have any plan to declare any dividend or other distribution before the close of the Offer. The Offer is unconditional in all respects and not conditional upon acceptances being received in respect of a minimum number of Shares or other conditions.

The Offer Price

The Offer Price of HK\$0.4104 per Offer Share represents:

- (i) a discount of approximately 91.57% to the closing price as quoted on the Stock Exchange on 16 December 2025, being the Latest Practicable Date, i.e. HK\$4.870 per Share;
- (ii) a discount of approximately 48.70% to the closing price as quoted on the Stock Exchange on 15 October 2025, being the Last Trading Day, i.e. HK\$0.800 per Share;
- (iii) a discount of approximately 48.05% to the average closing price of the Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day, i.e. approximately HK\$0.790 per Share;
- (iv) a discount of approximately 47.92% to the average closing price of the Shares as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day, i.e. approximately HK\$0.788 per Share;
- (v) a discount of approximately 43.63% to the average closing price of the Shares as quoted on the Stock Exchange for the last 20 consecutive trading days up to and including the Last Trading Day, i.e. approximately HK\$0.728 per Share;
- (vi) a discount of approximately 37.44% to the average closing price of the Shares as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day, i.e. approximately HK\$0.656 per Share;



- (vii) a discount of approximately 75.86% to the audited consolidated net asset value per Share of the Group as at 31 December 2024 of approximately HK\$1.700 (based on a total of 350,286,528 Shares in issue as at the Latest Practicable Date and the audited consolidated net asset value of the Group as at 31 December 2024 of approximately RMB545,843,000); and
- (viii) a discount of approximately 75.77% to the unaudited consolidated net asset value per Share of the Group as at 30 June 2025 of approximately HK\$1.694 (based on a total of 350,286,528 Shares in issue as at the Latest Practicable Date and the unaudited consolidated net asset value of the Group as at 30 June 2025 of approximately RMB544,038,000).

Highest and lowest Share prices

During the Relevant Period,

- (a) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$5.160 per Share on 17 November 2025; and
- (b) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.420 per Share on 29 May 2025, 2 to 5 June 2025 and 9 June 2025 respectively.

Value of the Offer

As at the Latest Practicable Date, there were 350,286,528 Shares in issue. Assuming no change in the issued share capital of the Company, based on the Offer Price of HK\$0.4104 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$143,757,591.09.

Taking into account the 194,959,831 Shares that were already owned by the Offeror and the parties acting in concert with it (including Purchaser B) as at the Latest Practicable Date, a total of 155,326,697 Shares (assuming no change in the total number of issued Shares from the Latest Practicable Date up to the date of the close of the Offer) are subject to the Offer. Based on the Offer Price of HK\$0.4104 per Offer Share and a total of 155,326,697 Offer Shares, the Offer is valued at approximately HK\$63,746,076.45.

Financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer of approximately HK\$63,746,076.45 with its internal resources.

Somerley, the financial adviser to the Offeror, is satisfied that there are sufficient financial resources available to the Offeror to satisfy the consideration for the full acceptance of the Offer.



Effect of accepting the Offer

Acceptance of the Offer by any Offer Shareholder will be deemed to constitute a warranty by such person to the Offeror that all Shares sold by such person under the Offer are free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the rights to receive dividends and distributions recommended, declared, made or paid, if any, on or after the date on which the Offer is made, being the date of this Composite Document.

The Offer is unconditional in all respects. Acceptance of the Offer will be irrevocable and will not be capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of an acceptance of the Offer, whichever is the higher, will be deducted from the amount payable to the relevant Offer Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of each accepting Offer Shareholder and pay the buyer's ad valorem stamp duty in connection with each acceptance of the Offer and transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptances of the Offer, net of the seller's Hong Kong ad valorem stamp duty, will be made as soon as possible but in any event no later than seven (7) business days (as defined under the Takeovers Code) after the date on which the duly completed forms of acceptance of the Offer and the relevant documents of title to the Shares in respect of such acceptances are received by or for the Offeror to render each such acceptance complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

Taxation advice

Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the parties acting in concert with it (including Purchaser B), the Company, Somerley, the Independent Financial Adviser and the Registrar, their respective ultimate beneficial owners, directors, officers, advisers, agents and associates and any other persons involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptances or rejection of the Offer.



Overseas Shareholders

The Offeror intends to make the Offer available to all Offer Shareholders, including those with registered address in a jurisdiction outside Hong Kong. The availability of the Offer to persons with a registered addresses in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdiction. The Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptances of the Offer (including the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions).

Any acceptance by any Shareholder or beneficial owner of the Shares who is a citizen, resident or national of a jurisdiction outside Hong Kong will be deemed to constitute a representation and warranty from such a person to the Offeror that the local laws and requirements have been complied with. Shareholders who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

According to the register of members of the Company, as at the Latest Practicable Date, the Company did not have any Overseas Shareholders.

INFORMATION OF THE PURCHASERS

Offeror

The Offeror is an investment-holding company incorporated in the British Virgin Islands with limited liabilities on 12 October 2023 and is wholly owned by SSC Group Limited, which is in turn directly held as to 50% by each of Mr. William Ng and his spouse, Ms. Wei Jiaming. As at the Latest Practicable Date, the directors of the Offeror were Mr. William Ng and Ms. Wei Jiaming. Mr. William Ng and Ms. Wei Jiaming are investors with investment experience in, amongst other things, the mining industry, having also made investments through the Offeror and other companies founded by them in other listed companies in Hong Kong principally engaged in the mining business, namely Wanguo Gold Group Limited (stock code: 3939) which is primarily engaged in mining, ore processing and sale of concentrates products (including copper, iron, zinc and gold), Zijin Gold International Company Limited (stock code: 2259), GT Gold Holdings Limited (stock code: 8299) and China Qinfu Group Limited (stock code: 866) which is engaged in coal operation business involving coal mining, purchase and sales, filtering, storage and blending of coal. They have also invested in Richmond Vanadium Technology Limited, a company whose shares are listed on the Australian Securities Exchange (stock code: RVT) which is engaged in mineral exploration and development with a particular focus on vanadium resources. For detailed information of Ms. Wei Jiaming, please refer to the section headed "Proposed Change in Board Composition" below.



Purchaser B

Purchaser B is an individual investor who is familiar with the Hong Kong capital market. From his experience in working with, and acting as either the representative or responsible persons of, various licensed corporations in Hong Kong since 2003, Purchaser B has over 20 years of experience in the equity capital market business and the investment banking and financial industry in Hong Kong, where he also gained relevant experience in the mining industry through involvement in the initial public offering in Hong Kong of companies engaged in the mining business.

Given that the Offeror and Purchaser B are investors acquiring their respective portions of the Sale Shares together under the Sale and Purchase Agreement and agreeing to act in concert in respect of the Company, and given that Purchaser B's acquisition of the Sale Shares was wholly financed by an unsecured loan made by the Offeror to Purchaser B, Purchaser B is a party acting in concert with the Offeror under the Takeovers Code. Save for the above, there is no relationship between the Offeror, its ultimate beneficial owners and the parties acting in concert with any of them (other than Purchaser B) on one hand and Purchaser B and his concert parties on the other hand.

Save that Purchaser B has acquired 8,137,200 Sale Shares from Vendor B pursuant to the Sale and Purchase Agreement, there is no other relationship between the Offeror, its ultimate beneficial owners and the parties acting in concert with any of them (including Purchaser B) on one hand and any of the Directors on the other hand.

INFORMATION OF THE GROUP

As disclosed in the letter from the Board in this Composite Document, the Company, an investment holding company, was incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange (Stock Code: 2623). The Group is principally engaged in iron ore processing and sales of iron concentrates and other minerals in the PRC. Financial information of the Group and general information of the Group is set out in the Appendix II and Appendix IV to this Composite Document, respectively.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

It is the intention of the Offeror to continue the Group's existing principal business following the close of the Offer and to retain the existing management team of the Group as well as Mr. Geng Guohua (who will continue to serve as an executive Director under his existing service contract entered into with the Company on 27 March 2024 with a term of three years from 27 April 2024 without amendments to the terms and conditions thereof) and Mr. Leung Nga Tat and Mr. Li Xiaoyang (who will continue to serve as independent non-executive Directors under their respective service contracts entered into with the Company on 30 March 2023 and 27 March 2024, respectively, without amendments to the terms and conditions thereof and who were not Shareholders as at the Latest Practicable Date) to ensure the continued oversight and management of the Group's existing principal business. Subject to the Offeror's



detailed review of the Group's existing principal business operations and financial position as mentioned below, as at the Latest Practicable Date, the Offeror had no intention, understanding, negotiation or arrangement to downsize, cease or dispose of any of the existing businesses of the Group.

The Offeror will conduct a detailed review of the existing principal business operations and financial position of the Group. Based on the review results, the Offeror will formulate business strategies for the Group's future development, and may explore other business opportunities from time to time and consider whether any acquisition or disposal of assets, fund-raising activity or business restructuring plan should be pursued with a view to achieving business diversification and/or long-term business growth of the Group.

In particular, the Offeror acknowledges that the iron ore market has experienced fierce price and demand volatility since the second half of 2024, which had adversely affected the business and performance of the Group during the year ended 31 December 2024 and the six months ended 30 June 2025. It is the Offeror's intention to engage in discussion with the Board on the feasibility and possible strategies of expanding the Group's existing mining and mineral trading business to include other material resources, including but not limited to gold, alongside its existing iron ore business. The Offeror believes that such diversification may enhance the Group's resilience to commodity market fluctuations and contribute to long-term shareholder value. Nevertheless, any changes to the business development and strategies of the Group would be subject to the Board's review of the Group's business performance, available resources, market conditions and changes in the industry from time to time.

Notwithstanding the above, as at the Latest Practical Date, the Offeror had no specific proposal for any acquisition or disposal of assets, fund-raising activity or business restructuring in relation to the Group and had not entered into any specific agreement or arrangement with the Group in connection therewith. In the event that any suitable opportunity for such corporate actions arises, further announcement(s) will be made by the Company in accordance with the Listing Rules as and when appropriate.

Save as set out above and the potential changes to the members of the Board as described below, as at the Latest Practicable Date, the Offeror had no intention to (i) discontinue the employment of any employees of the Group; or (ii) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business.

As at the Latest Practicable Date, the Group had outstanding advances of RMB488.9 million in total due to the Vendors ("**Outstanding Advances**"), including additional advances of approximately RMB84.7 million made during the period from 1 July 2025 and up to the close of business on 31 October 2025 (being the latest practicable date for the purpose of the statement of indebtedness included in this Composite Document). The Outstanding Advances are interest-free, unsecured and with no fixed repayment term, and are only repayable when the relevant Group company has sufficient resources to make such repayment. The Offeror does not have any plan to require settlement of the Outstanding Advances within six months after



the Closing Date, and expects that the Board to from time to time review the financial positions and capital requirements of the relevant Group companies and decide whether and when the relevant Group companies have such resources to repay the relevant Outstanding Advances.

PROPOSED CHANGE IN BOARD COMPOSITION

As at the Latest Practicable Date, the Board comprised three executive Directors, namely Mr. Li Yunde (Chairman), Mr. Geng Guohua (Chief Executive Officer) and Mr. Lang Weiguo, and four independent non-executive Directors, namely Mr. Leung Nga Tat, Mr. Zhang Jingsheng, Mr. Li Xiaoyang and Ms. Cheng Shuk Teh Esther.

Pursuant to the Sale and Purchase Agreement, Mr. Li Yunde (as Vendor B) has tendered his resignation, and the Vendors shall procure such other existing Directors (other than Mr. Geng Guohua for reasons further elaborated below) as may be specified by the Purchasers to resign, as Director with effect from the earliest time permitted under the Takeovers Code, the Listing Rules and other laws, regulations and rules applicable to the Company.

Save and except for Mr. Geng Guohua (an existing executive Director) and Mr. Leung Nga Tat and Mr. Li Xiaoyang (each an existing independent non-executive Director), all other existing Directors will resign with effect from after the publication of the closing announcement on the Closing Date (being the earliest date as permitted under the Takeovers Code).

The Offeror intends to nominate Ms. Wei Jiaming (being a shareholder of the holding company of the Offeror), Mr. Ng Hoi Kam (i.e. Purchaser B), Mr. Liao Daxue, Mr. Chen Hongzheng and Mr. Zhao Ju as executive Directors, Mr. Xia Chun and Mr. Wang Dong as non-executive Directors and Mr. Xie Jie and Mr. Wong Chi Wah as independent non-executive Directors with effect from after the Composite Document is posted on the date of dispatch of this Composite Document (being the earliest date as permitted under the Takeovers Code). Ms. Wei Jiaming and Mr. Ng Hoi Kam did not own, or otherwise hold any interest in, any Shares before Completion of the Sale and Purchase Agreement, and as parties acting in concert with the Offeror, they are not Offer Shareholders. Further, they will each enter into a service contract with the Company for service as an executive Director on ordinary and usual terms that are no more favourable than those applicable to the existing executive Directors and the other proposed executive Directors who are not Shareholders, and such contracts do not involve purchase or sale of any Shares or acceptance of the Offer. Except for Ms. Wei Jiaming and Mr. Ng Hoi Kam, none of the above proposed Directors was a Shareholder or otherwise held any interest in the Shares as at the Latest Practicable Date. For the above reasons, the Offeror believes that the appointments of the above proposed Directors do not constitute arrangements that fall within Rule 25 of the Takeovers Code. Further announcement(s) and/or disclosure(s) will be made upon any changes to the composition to the Board in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.



As an executive Director since 2012 and the Chief Executive Officer of the Company since 2013, Mr. Geng Guohua has been primarily responsible for the Group's overall operation. Given that the Offeror intends to continue the Group's existing principal business following the close of the Offer, the Offeror would like to enlist the services of Mr. Geng Guohua and take advantage of his rich industry knowledge and familiarity with the Group's operations to ensure a smooth transition and stability in operation as control over the Company changes hands, with a view to achieving continuous development and growth in the business of the Group. Save for being one of the directors of Vendor A from whom both of the Purchasers have acquired certain Sale Shares under the Sale and Purchase Agreement, Mr. Geng Guohua and the parties acting in concert with him have no relationship with the Offeror, its ultimate beneficial owners and the parties acting in concert with any of them (including Purchaser B).

The biographical information of the proposed Directors nominated by the Offeror is set out below:

Proposed executive Directors

Ms. Wei Jiaming (魏嘉明) ("Ms. Wei")

Ms. Wei, aged 42, has over 15 years of experience in investment. Since March 2017, she has been the president of Shangshan Capital Group Co., Limited (上善資本集團有限公司) ("SSC Capital"), a company principally engaged in wealth management research, wealth management consultancy and services, asset management and investment management and advisory services. Prior to joining SSC Capital, she served as the general manager of Beijing Century Hualong Investment Management Consulting Co., Ltd.* (北京世紀華隆投資管理顧問有限公司) from August 2009 to December 2016. Ms. Wei obtained a bachelor degree in finance in June 2006 from Sun Yat-Sen University.

Ms. Wei (i) has not served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) save as disclosed in "Information of the Purchasers" in this Composite Document, does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder (as respectively defined under the Listing Rules) of the Company. As at the Latest Practicable Date, Ms. Wei is taken to be interested in the Shares in which the Offeror was interested under the SFO.

Purchaser B (Mr. Ng Hoi Kam (吳海淦)) ("Mr. Ng")

Mr. Ng, aged 52, has over 20 years of experience in the investment banking and financial industry focusing on the areas of initial public offerings, mergers and acquisitions, corporate restructuring and other financial advisory services to listed companies and listing applicants in Hong Kong. From September 2017 to October 2025, he served successively as the deputy general manager and executive Director of CMBC Capital Holdings Limited ("CMBC Capital"), and while also acting as a Responsible Officer and director of each of CMBC



International Capital Limited and CMBC Securities Company Limited, both of which are direct wholly-owned subsidiaries of CMBC Capital. Being a part of their senior management, he was in charge of the equity capital market and investment banking businesses and the research department. From December 2000 to July 2017, he served as the managing director of corporate finance in Haitong International Capital Limited. From July 1997 to December 2000, he worked in Arthur Anderson & Co. (now known as PricewaterhouseCoopers).

Mr. Ng is a member of the Hong Kong Institute of Certified Public Accountants. He received his bachelor of business administration from the Chinese University of Hong Kong in December 1997 and his Master of Economics from the University of Hong Kong in November 2007.

Mr. Ng (i) has not, save as disclosed above, served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) save as disclosed in “Information of the Purchasers” in this Composite Document, does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder (as respectively defined under the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Ng was interested in 19,466,280 Shares (being the Sale Shares acquired pursuant to the Sale Purchase Agreement) directly held by him.

Mr. Liao Daxue (廖大學) (“Mr. Liao”)

Mr. Liao, aged 61, has over ten years of management experience in the PRC mining industry. During 2003 to 2018, Mr. Liao had served as the deputy mine manager of Hunan Huangshaping Lead-Zinc Mine, the chairman and general manager of Hunan Nonferrous Metals Xintianling Tungsten Co., Ltd. (湖南有色新田嶺鎢業有限公司), chairman of the board and general manager of Hunan Shizhuyuan Nonferrous Metals Co., Ltd.* (湖南柿竹園有色金屬有限責任公司), the deputy director of the tungsten business division of China Minmetals Nonferrous Metals Holding Co., Ltd. (中國五礦有色金屬控股有限公司), and deputy general manager of China Tungsten and Hightech Materials Co., Ltd. (中鎢高新材料股份有限公司) (“China Tungsten”), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000657) and a member of the China Minmetals group (中國五礦集團), a state-owned enterprise directly subordinated to the PRC central government.

Mr. Liao obtained a bachelor degree in engineering with a major in mining engineering and an MBA from Central South University (中南大學) in July 1987 and December 2003, respectively. He obtained his qualifications as a senior engineer specialising in mining engineering in December 1999 accredited by the Hunan Province Personnel Bureau, as a senior engineer (research fellow) specialising in mining engineering in October 2011, and as a certified safety engineer in October 2017 accredited by Ministry of Human Resources and Social Security of the PRC and State Administration of Work Safety. He has served as the chairman of the governing committee of the Fifth and Sixth Council of the China Tungsten Industry Association.



Mr. Liao (i) has not served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder (as respectively defined under the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Liao did not hold any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Chen Hongzheng (陳泓錚) (“Mr. Chen”)

Mr. Chen, aged 39, has over ten years of experience in investment. Since January 2025, he has been serving as the managing director of SSC Capital. From 2015 to 2024, he served successively as the investment director of Shanghai Fosun Venture Capital Management Co., Ltd. (上海復星創業投資管理有限公司) (“Fosun VC”), the investment executive general manager of Fosun VC and the Maternal, Infant, and Family Industry Group within Shanghai Fosun High Technology (Group) Company Limited (上海復星高科技(集團)有限公司), and an investment lead in Baihe Jiayuan Network Group Co., Ltd. (百合佳緣網絡集團股份有限公司) representing its shareholder, Fosun International Ltd. (復星國際有限公司) (listed on the Stock Exchange (stock code: 656)), where he was responsible for expanding its business and brand portfolio through investment and mergers and acquisitions. Prior to that, he served as the deputy manager of the investment development division in Zhejiang Venture Capital Investment Group Co., Ltd* (浙江省創業投資集團有限公司), a market-oriented professional investment institution approved and established by Zhejiang Provincial Development and Reform Commission.

Mr. Chen obtained a bachelor of arts degree in finance and investment in June 2009 from the University of Stirling and his master of science in finance in 2010 from Manchester Business School, University of Manchester. He is also a chartered financial analyst since 2015 awarded by the CFA Institute.

Mr. Chen (i) has not served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder (as respectively defined under the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Chen did not hold any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Zhao Ju (趙駒) (“Mr. Zhao”)

Mr. Zhao, aged 61, has over 20 years of experience in investment banking. He joined China Merchants Bank, a company listed on the Shanghai Stock Exchange (stock code: 600036) in November 2014 and has served as its deputy president from February 2015 to



February 2019, during which time he had also been the chief executive officer and chairman of CMB International Capital Corporation Limited. During 2005 to 2014, Mr. Zhao worked in UBS and prior to his departure, served as co-head and chairman of China investment banking.

Mr. Zhao obtained his bachelor's degree in national economic management from Tsinghua University in July 1988 and his MBA from Peking University in June 2005.

Mr. Zhao (i) has not served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any Director, senior management, substantial shareholder or controlling shareholder (as respectively defined under the Listing Rules) of the Company. As at the Latest Practicable Date, Mr. Zhao did not hold any interest in the Shares within the meaning of Part XV of the SFO.

Proposed non-executive Directors

Mr. Xia Chun (夏春) ("Mr. Xia")

Mr. Xia, aged 51, has over 15 years of experience in economics and research. Since July 2024, Mr. Xia has served as Chief Economist and Head of Research at SSC Capital. From November 2021 to June 2024, Mr. Xia served as Chief Economist of Forthright Financial Holdings Co. Ltd., a company engaged in global securities and futures trading, asset management, equity financing, investment advisory and Hong Kong insurance services, and also served as Head of the Yintech Finance Research Institute at Yintech Investment Holdings Limited (銀科控股有限公司) ("Yintech"), which conducts research on domestic and international macroeconomic trends, monetary policy, fiscal policy, and financial regulatory developments. From August 2015 to October 2021, Mr. Xia devoted his time to serve as Director of Research Department of Noah International (Hong Kong) Holdings Limited (諾亞國際(香港)有限公司). Throughout August 2008 to July 2017, he also worked as a lecturer and professor at the University of Hong Kong, School of Economics and Finance and School of Business and the Faculty of Business and Economics. Since September 2024, Mr. Xia has been employed as an Adjunct Professor in the College of Business at the City University of Hong Kong.

Mr. Xia won the "Greater Bay Area Leading Economist Award" in 2023 awarded by the Greaterbay Financier Association, the "2023 Influential Video Creator Award" for his channel "Chun Xia Financial Intelligence (春夏財經知識)" in 2023 awarded by TMTPost Group and the "Annual Key Opinion Leader Award" in 2020 awarded by Sina Finance.

Mr. Xia graduated from Peking University majoring in Global Economics in July 1997. Subsequently, he completed a master's program in World Economy at Peking University in September 2000. In August 2008, Mr. Xia obtained his degree of Doctor of Philosophy from the University of Minnesota in the United States.



Save as disclosed above, Mr. Xia (i) has not served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Xia did not hold any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Wang Dong (王東) (“Mr. Wang”)

Mr. Wang Dong, aged 52, has over ten years of experience in corporate management and strategic investment. In August 2023, Mr. Wang founded Khentii Mountains Energy Co., Limited (肯特山能源有限公司) and has been serving as its chairman of the board since then, being responsible for its overall operations and investment, development, trade and mineral rights acquisition in the energy sector. From September 2022 to June 2023, Mr. Wang served successively as the chief executive officer and executive director and then non-executive director of SouthGobi Resources Limited (南戈壁資源有限公司), a company whose shares are listed on the Stock Exchange (stock code: 1878) and the Toronto Stock Venture Exchange (stock code: TSX-V SGQ), a company which, through its subsidiaries, is principally engaged in coal mining, development and exploration in Mongolia, and logistics and trading of coal in Mongolia and China. From February 2018 to August 2022, Mr. Wang served as the general manager of Inner Mongolia Dongfang Guoxin Technology Co., Limited* (內蒙古東方國信科技有限公司). From 2013 to 2018, Mr. Wang served as the chairman of the board at Guangzhou Guide Investment Company Limited (廣州貴德投資有限公司), who, through its subsidiary, Beijing Handlewell Technology Limited (北京翰納維科技有限公司), engages in information technology development in the energy sector.

Mr. Wang graduated from Liaoning Technical University (遼寧工程技術大學) in 1997 majoring in electrical automation. He also obtained a master’s degree in Business Management from Graduate University of Chinese Academy of Sciences (中國科學院大學) in July 2012.

Mr. Wang (i) has not, save as disclosed above, served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Wang did not hold any interest in the Shares within the meaning of Part XV of the SFO.

Proposed independent non-executive Directors

Mr. Xie Jie (謝杰) (“Mr. Xie”)

Mr. Xie, aged 42, has more than 15 years of experience in the legal profession. Mr. Xie has been a lawyer at Hansheng Law Offices Shanghai since July 2016, specializing in corporate and criminal practice. Concurrently, from December 2019 to December 2025, Mr. Xie served as an Associate Professor at the Koguan School of Law, Shanghai Jiao Tong University (上海交通大學凱原法學院). Mr. Xie was also a Postdoctoral Fellow at the National University of



Singapore Law School in Singapore from August 2015 to August 2016, and prior to that, worked as an Assistant Researcher at the East China University of Political Science and Law (華東政法大學) from January 2015 to May 2016 and also took part in the Fullbright China PhD Dissertation Research at the University of Pennsylvania Law School from September 2013 to May 2014. In the early days of his career, Mr. Xie was a public prosecutor from July 2007 to January 2015 and was qualified as a level 5 Prosecutor in April 2010 accredited by Shanghai Baoshan District People's Procuratorate Department.

Mr. Xie attained his bachelor of laws at the China Youth University of Political Studies (中國青年政治學院) in July 2005. He then attained his doctorate in laws with a focus in criminal law from East China University of Political Science and Law (華東政法大學) in June 2014. Mr. Xie holds a legal professional qualification certificate in the PRC.

Mr. Xie (i) has not served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Xie did not hold any interest in the Shares within the meaning of Part XV of the SFO.

Mr. Wong Chi Wah (王志華) ("Mr. Wong")

Mr. Wong, aged 51, has more than 25 years of experience in audit and accounting. Since July 2022, Mr. Wong has been acting as an independent non-executive director of China General Education Group, a company whose shares are listed on the Stock Exchange (stock code: 2175), and has been the chief financial officer and company secretary of Wanguo Gold Group Limited, a company listed on the Stock Exchange (stock code: 3939) since July 2011 and May 2012, respectively. From February 2010 to June 2011, Mr. Wong worked as the group chief financial controller and company secretary of China Automotive Interior Decoration Holdings Limited, a company whose shares are listed on the Stock Exchange (stock code: 48). Prior to that, Mr. Wong worked as a group financial controller at Kingsun-Aima Biotech Co. Limited where he was responsible for reviewing monthly financial reports of the group's entities, preparing the group's consolidated financial reports and budgets as well as reviewing pricing for new products. At the start of his accounting career, Mr. Wong worked at Ernst & Young from February 2000 to September 2003 in several positions and was a senior accountant prior to his departure and at Nelson Wheeler from June 1996 to January 2000 in several positions, serving as an audit senior prior to his departure.

Mr. Wong received his bachelor of arts in accountancy from the Hong Kong Polytechnic University in November 1996. Following that, he became an Associate of the Association of Chartered Certified Accountants (then known as Hong Kong Society of Accountants) in October of 1999 and was admitted as a Fellow thereof in December of 2004.



Mr. Wong (i) has not, save as disclosed above, served as director in any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years; (ii) does not hold any other positions in the Company or any of its subsidiaries; and (iii) does not, save as disclosed above, have any relationship with any director, senior management, substantial shareholder or controlling shareholder of the Company. As at the Latest Practicable Date, Mr. Wong did not hold any interest in the Shares within the meaning of Part XV of the SFO.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Stock Exchange has stated that, if, upon the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

the Stock Exchange will consider exercising its discretion to suspend dealings in the Shares.

The directors of the Offeror and the new Directors to be appointed to the Board have jointly and severally undertaken to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer, if the level of acceptances of the Offer Shares results in the shareholding of the Offeror and the parties acting in concert with it exceeding 75% of the total issued share capital of the Company. Such steps may include but are not limited to placing down or selling by the Offeror of a sufficient number of accepted Shares acquired under the Offer to Independent Third Parties or in the market through arrangements that do not fall within Rule 25 of the Takeovers Code. No arrangement had been confirmed or put in place as at the Latest Practicable Date. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.



ACCEPTANCE AND SETTLEMENT

Your attention is drawn to the further terms of the Offer, including the procedures for acceptance and settlement and acceptance period of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

GENERAL INFORMATION

To ensure equality of treatment of all Offer Shareholders, those registered Offer Shareholders who hold any Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. In order for the beneficial owners of the Shares, whose investments are registered in the names of nominees, to accept the Offer, it is essential that they provide instructions to their nominees of their intentions with regard to the Offer.

The attention of the Overseas Shareholders is drawn to the section headed "Important Notices" contained in this Composite Document and the section headed "Overseas Shareholders" in Appendix I to this Composite Document.

All documents and remittances to be sent to the Offer Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Offer Shareholders at their respective addresses as they appear in the register of members of Company or in the case of joint Offer Shareholders, to the Offer Shareholder whose name appears first in the register of members of the Company among such joint Offer Shareholders. None of the Offeror, the parties acting in concert with it (including Purchaser B), the Company, Somerley, the Independent Financial Adviser and the Registrar, their respective ultimate beneficial owners, directors, officers, advisers, agents and associates and any other persons involved in the Offer accepts any responsibility for any loss or delay in transmission or any other liabilities that may arise as a result thereof. Further details have been set out in Appendix I to this Composite Document and in the Form of Acceptance.

WARNING

Offer Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company (including the Shares and any options or rights in respect of them). Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.



ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which forms part of this Composite Document. In addition, your attention is also drawn to the “Letter from the Board” on pages 24 to 29 of this Composite Document, “Letter from the Independent Board Committee” on pages 30 to 31 of this Composite Document and “Letter from the Independent Financial Adviser” on pages 32 to 62 of this Composite Document in relation to their respective recommendations and advices with respect to the Offer. You are advised to read and consider all the information contained in this Composite Document before reaching a decision as to whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
Somerley Capital Limited

M.N. Sabine
Chairman