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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Saftower International Holding Group Limited** (the “Company”), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker, or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**China Saftower International Holding Group Limited**

**中國蜀塔國際控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8623)**

**MAJOR TRANSACTION  
IN RELATION TO  
DISPOSAL OF ASSETS**

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A letter from the Board is set out on pages 4 to 12 of this circular.

The Disposal has been approved by written shareholders’ approval pursuant to Rule 19.44 of the GEM Listing Rules in lieu of a general meeting of the Company. This circular is being despatched to the Shareholders for information only.

6 October 2023

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

|                            |   |
|----------------------------|---|
| “Acquisition Announcement” | the announcement of the Company dated 7 July 2023 in relation to the acquisition of 30% equity interest in Yaan Baosheng  |
| “Agreement”                | the sale and purchase agreement dated 30 August 2023 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Assets   |
| “Asset Valuation Report”   | the asset valuation report dated 27 July 2023 prepared by Sichuan Tianyi Real Estate Land Asset Valuation Co., Ltd.* (四川天一房地產土地資產評估有限公司), an independent professional valuer, in connection with the appraised value of the Assets as at 30 June 2023 |
| “Assets”                   | all of the Vendor’s equipment and plants in relation to the production of aluminium cast-rolled coil and aluminium plate and foil as more particularly listed in the Agreement  |
| “Board”                    | the board of Directors of the Company from time to time   |
| “close associate(s)”       | has the same meaning ascribed to it under the GEM Listing Rules   |
| “Company”                  | China Saftower International Holding Group Limited (中國蜀塔國際控股集團有限公司), an exempted company incorporated under the laws of Cayman Islands whose issued shares are listed on the GEM of the Stock Exchange  |
| “Completion”               | the completion of the Disposal  |
| “connected person(s)”      | has the same meaning ascribed to it under the GEM Listing Rules   |
| “Consideration”            | RMB24,862,215.93, being the total sum of the consideration payable by the Purchaser for acquisition of the Assets under the Agreement   |

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## DEFINITIONS

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|                                |  |
|--------------------------------|--|
| “Director(s)”                  | the director(s) of the Company   |
| “Disposal”                     | the Group’s disposal of the Assets pursuant to the terms and conditions of the Agreement   |
| “GEM”                          | the GEM operated by the Stock Exchange   |
| “GEM Listing Rules”            | the Rules Governing the Listing of Securities on GEM   |
| “Group”                        | the Company and its subsidiaries   |
| “HKFRS”                        | Hong Kong Financial Reporting Standards  |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the People’s Republic of China  |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Independent Third Party(ies)” | any person or company not connected to any Director, chief executive or substantial shareholder of the Company or any of its subsidiaries or an associate of any of them as defined in the GEM Listing Rules |
| “Latest Practicable Date”      | 29 September 2023, the latest practicable date for the identification of certain information in this circular prior to the despatch of this circular   |
| “MOU Announcement”             | the announcement of the Company dated 25 July 2023 in relation to the memorandum of understanding entered into between Yaan Baosheng and the Purchaser   |
| “PRC”                          | the People’s Republic of China   |
| “Purchaser”                    | Taizhou Heyu New Material Technology Co., Ltd.* (台州合裕新材料科技有限公司), an Independent Third Party  |
| “RMB”                          | Renminbi, the lawful currency of the PRC   |

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## DEFINITIONS

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|                  |  |
|------------------|--|
| “SFO”            | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| “Share(s)”       | ordinary share(s) of HK\$0.01 each in the capital of the Company   |
| “Shareholder(s)” | shareholder(s) of the Company  |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited  |
| “Vendor”         | Sichuan Saftower Industry Company Limited* (四川蜀塔實業有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company |
| “Yaan Baosheng”  | Yaan Baosheng Metal Material Co., Ltd.* (雅安寶盛金屬材料有限公司), a company incorporated in the PRC with limited liability and an indirect wholly owned subsidiary of the Company  |
| “%”              | per cent   |

\* *For identification purpose only*

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LETTER FROM THE BOARD

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**China Saftower International Holding Group Limited**  
**中國蜀塔國際控股集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8623)**

*Executive Directors:*

Mr. Dang Fei (*Chairman*)

Mr. Wang Xiaozhong

Ms. Luo Xi

Mr. Luo Qiang

*Registered Office:*

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Grand Cayman KY1-1002

Cayman Islands

*Non-executive Directors:*

Mr. Wang Haichen

*Principal place of business in Hong Kong:*

Suite 913, 9/F, Chinachem Golden Plaza

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Tsim Sha Tsui, Kowloon

Hong Kong

*Independent non-executive Directors:*

Dr. Zuo Xinzhang

Mr. Chan Oi Fat

Ms. Hu Xiaomin

6 October 2023

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
IN RELATION TO  
DISPOSAL OF ASSETS**

**INTRODUCTION**

Reference is made to the two announcements of the Company both dated 31 August 2023 in relation to the Disposal.

The purpose of this circular is to provide you with, among others, (i) further information on the Agreement and the transactions contemplated thereunder; and (ii) other information as required to be disclosed, in accordance with the requirements under the GEM Listing Rules.

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## LETTER FROM THE BOARD

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### BACKGROUND

On 30 August 2023 (after trading hours), the Vendor, an indirect wholly owned subsidiary of the Company, and the Purchaser entered into the Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Assets subject to the terms and conditions thereunder.

### THE AGREEMENT

The principal terms of the Agreement are set out below:

|                 |  |
|-----------------|--|
| Date:           | 30 August 2023   |
| Parties:        | (i) The Vendor<br><br>(ii) The Purchaser                         |
| Subject assets: | The Assets   |
| Consideration:  | RMB24,862,215.93 (equivalent to approximately HK\$26,769,147.89) |

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser with reference to the preliminary valuation of the Assets. The Directors consider that the Consideration is fair and reasonable and in the interests of the Company and Shareholders as a whole since (i) the Consideration is set close to the appraised value of the Assets, being approximately RMB21.76 million (excluding VAT); (ii) the Directors are of the view that the valuation approach (being the cost approach) and key assumptions adopted by the independent professional valuer to prepare the Asset Valuation Report (details of which is contained in Appendix II of this circular) is fair and reasonable; (iii) the valuation is performed by independent professional and reputable valuer in the market.

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## LETTER FROM THE BOARD

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As at 30 June 2023, the net book value of the Assets was approximately RMB30.47 million while the appraised value of the Assets was approximately RMB21.76 million (excluding VAT). Such difference was due to the difference in the depreciation policy adopted by the Company and the valuation approach adopted by the independent professional valuer. In particular, the independent professional valuer took into account a greater depreciation of the Assets in view of the following factors: (i) as the utilization rate of the Assets decreased, or even became idle, this leads to a decrease in operation outcome, which results in greater economic depreciation; and (ii) the wear and tear during the usage of the Assets and the innovation of technology results in physical and functional depreciation.

Payment terms:

The Consideration shall be payable by the Purchaser to the Vendor in the following manner:

- (a) approximately 42.23% of the Consideration, that is RMB10,500,000.00 (equivalent to approximately HK\$11,305,350.00) shall be payable to the Vendor within 30 days after the Completion;
- (b) approximately 43.07% of the Consideration, that is RMB10,707,479.53 (equivalent to approximately HK\$11,528,743.21) shall be payable to the Vendor within 4 months after the Completion; and
- (c) the remaining approximately 14.70% of the Consideration, that is RMB3,654,736.40 (equivalent to approximately HK\$3,935,054.68) shall be treated as retention money and payable to the Vendor within 3 years after the Completion.

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## LETTER FROM THE BOARD

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Condition precedent: The fulfilment of the parties' obligation under the Agreement is conditional upon the satisfaction of the following conditions:

- (i) the Purchaser having obtained its shareholders' approvals for the transactions contemplated under the Agreement;
- (ii) the Company having obtained its shareholders' approvals in accordance with the GEM Listing Rules and its articles of association for the transactions contemplated under the Agreement; and
- (iii) the Vendor and/or the Company having obtained all necessary approvals for the transactions contemplated under the Agreement.

Completion: The Completion shall take place on a date within 3 business days after all the conditions precedent have been satisfied.

### INFORMATION OF THE ASSETS

The net loss attributable to the Assets for the year ended 31 December 2021 and 2022 are as follows:

|                     | <b>For the year<br/>ended<br/>31 December<br/>2022<br/>RMB'000</b> | <b>For the year<br/>ended<br/>31 December<br/>2021<br/>RMB'000</b> |
|---------------------|--|--|
| Net loss before tax | (9,045.87)   | (3,322.85)   |
| Net loss after tax  | (6,548.94)   | (2,518.51)   |

As at 30 June 2023, the net book value of the Assets was approximately RMB30,468,392.31 (equivalent to approximately HK\$32,805,318.00).

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## LETTER FROM THE BOARD

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### FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

#### Earnings

Upon the Completion, the Group is expected to recognise an unaudited loss of approximately RMB5.61 million (equivalent to approximately HK\$6.04 million), representing the difference between the Consideration and the net asset value of the Assets as at 30 June 2023 after deducting all estimated costs and expenses relating to the Disposal. The actual gain or loss in connection with the Disposal will be valued after Completion and is subject to the review and audit by the auditors of the Company.

#### Assets and liabilities

Upon Completion of the Disposal, the non-current assets of the Group will be reduced by approximately RMB30.47 million (equivalent to approximately HK\$32.81 million), being the net asset value of the Assets, and current assets of the Group will be increased by approximately RMB24.86 million (equivalent to approximately HK\$26.77 million), being the net proceeds from the Disposal, but it is expected that there will be no effect on current and non-current liabilities.

#### Use of proceeds

The net proceeds arising from the Disposal are approximately RMB24.86 million (equivalent to approximately HK\$26.77 million) (after deducting expenses in relation to the Disposal). The Group intends to use the net proceeds of the Disposal as general working capital for the daily operation. The Group expects that the net proceeds of the Disposal will be fully utilised by the Group within one year upon the receipt of the entire Consideration from the Purchaser.

### INFORMATION OF THE PURCHASER

The Purchaser is a company established under the laws of the PRC with limited liability. It is principally engaged the manufacturing and sales of various metal materials and products, and it has various sales channels of aluminium products, mainly in the areas of Zhejiang, Shanghai, Henan and Chongqing.

The Group has first business cooperation with the Purchaser in December 2022, when the parties entered into a procurement agreement, whereby the Purchaser shall purchase cast-rolled coils from Yaan Baosheng in bulk quantities. In view of the background of the Purchaser and the resources of the Group in the industry, the parties intend to maintain a long-term cooperation relationship in relation to the production, processing and sales of aluminum metal products. In early 2023, in view of the Group cashflow needs at the material time, Yaan Baosheng (as

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## LETTER FROM THE BOARD

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borrower), Saftower Management (Guangyuan) Limited\* (蜀塔企業管理(廣元)有限公司) (“**Saftower Management**”), an indirect wholly owned subsidiary of the Company (as guarantor) and the Purchaser (as lender) entered into a loan agreement on 13 January 2023 (the “**Loan Agreement**”) in relation to an unsecured loan in the principal amount of RMB10 million, for use in the usual course of business of Yaan Baosheng, with an interest rate of 12% per annum (the “**Loan**”). The term of the Loan is from 2 December 2022 to 1 June 2023, and Saftower Management shall provide guarantee covering all amounts (including principal, interest, damages, legal costs etc.) owed by Yaan Baosheng under the Loan Agreement for a period of 2 years after the maturity date. In February 2023, the Group began to consider to dispose the Assets, while the Purchaser intends to develop an aluminum industry chain, and build an integrated manufacturing and sales platform, as such, the Purchaser expressed an interest to acquire the Assets and the parties began to negotiate for the potential Disposal.

As at the Latest Practicable Date, the Loan has not been fully repaid, however, the net proceeds from the Disposal will not be utilized to settle the outstanding Loan balance as the parties are negotiation for an extension of the Loan, and the Group intends to utilise the net proceeds to strengthen the Group’s cashflow and working capital. Further, when the parties are negotiating the Consideration, the Company did not take into account of the extension of the Loan as the Loan and the Disposal are two separate transactions and are not inter-conditional.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, (i) each of the Purchaser and its ultimate beneficial owner, Mr. Yang Xiaoming, who owns 90% of the equity interest in the Purchaser, is a third party independent of the Company and its connected persons (as defined under the GEM Listing Rules); and (ii) save as the Loan Agreement, there is, and in the past twelve months from the Latest Practicable Date, there has been, no material loan arrangement between (a) the Purchaser, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Purchaser (i.e. Mr. Yang Xiaoming and the party holding the remaining 10% interest in the Purchaser) who can exert influence on the transaction; and (b) the Company, any connected person at the Company’s level and/or any connected person at the subsidiary level (to the extent that such subsidiary/subsidiaries is/are involved in the transaction).

### REASONS AND BENEFITS OF THE DISPOSAL

The Group is a regional manufacturer and supplier of wires and cables, with integrated production facilities situated in Chengdu and Guangyuan of Sichuan Province, the PRC. The Vendor is principally engaged in processing of aluminium cast-rolled coil and aluminium plate, and manufacturing of foil, and it operates a production plant at Yaan, Sichuan Province, the PRC.

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## LETTER FROM THE BOARD

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Reference is made to the Acquisition Announcement and the MOU Announcement. As disclosed in the MOU Announcement, the wires and cables industry is highly competitive in recent years as the demand of and investment scale to cables are decreasing; further, the supply of raw material has been unstable in recent years and the operating costs of the Yaan Baosheng have been increasing. In fact, Yaan Baosheng has been making loss for the two years ended 31 December 2022 and six months ended 30 June 2023.

In late 2022 and early 2023, as the operating costs of the Yaan Baosheng have been increasing, it needed working capital to maintain its operation, therefore, Yaan Baosheng sought the Loan from the Purchaser as mentioned in the section headed “Information of the Purchaser” above. While maintaining and ensuring the normal operation of Yaan Baosheng, the Board began to notice that the actual market situation did not improve as originally expected, the downstream customers have suspended or reduced production, and the actual demand has dropped. As such, the Board consider to explore the option of disposing the Assets in February 2023, which was shortly after seeking the Loan to relieve the cashflow pressure of Yaan Baosheng.

However, the Group only held 70% equity interest in Yaan Baosheng in early 2023. In July 2023, as disclosed in the Acquisition Announcement, the Company was informed by Mr. Qin Chunlin (卿春麟), the holder 30% equity interest in Yaan Baosheng, of his intention to dispose of his interest in Yaan Baosheng. In order to ensure that the remaining 30% equity interest in Yaan Baosheng would not be sold to a third party, the Group considers it is an opportunity to consolidate the ownership and to improve the competitiveness of Yaan Baosheng, and thus the Group entered into the equity transfer agreement and acquire the remaining 30% equity interest in Yaan Baosheng. After the completion of the aforesaid acquisition, on 28 July 2023, Yaan Baosheng assigned and transferred the Assets to the Vendor as an internal restructuring within the Group. As at the Latest Practicable Date, both Yaan Baosheng and the Vendor are indirect wholly owned subsidiaries of the Company.

In view of the approach made by the Purchaser expressing an interest to acquire the Assets and considering the unsatisfactory performance of the Yaan production plant and the aluminium recycling industry in recent years, the Board believes that the entering into of the Agreement might provide a way to the better utilization of the assets of the Group and reduce the Group’s debt ratio and cost of debt which would improve the financial position of the Group. The Board considers that the Agreement has been entered into on normal commercial terms after arm’s length negotiation between the Vendor and the Purchaser, and is in the interests of the Company and its Shareholders as a whole.

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## LETTER FROM THE BOARD

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### GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceed 25%, but all are less than 75%, the Disposal constitutes a major transaction of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder with a material interest in the Agreement and the Disposal or his/her close associate is required to abstain from voting on resolution(s) approving the Agreements and the Disposal under the GEM Listing Rules if the Company were to convene a general meeting for the approval of the Agreement and the Disposal.

In accordance with Rule 19.44 of the GEM Listing Rules, the Company has obtained the written approval from the closely allied group of Shareholders comprising Red Fly Investment Limited, Xseven Investment Limited, Hisky Investment Limited and Mr. Li Guojiang, who are respectively beneficially interested in 351,280,000 Shares, 99,760,000 Shares, 11,100,000 Shares and 14,630,000 Shares, and collectively beneficially interested in an aggregate of 476,770,000 Shares, which represents approximately 51.82% of issued Shares as at the Latest Practicable Date. Red Fly Investment Limited is owned as to 80.79% by Mr. Dang Fei, who is the chairman of the Board and an executive Director. Xseven Investment Limited is wholly owned by Mr. Wang Xiaozhong, an executive Director. Hisky Investment Limited is owned as to 56.82% by Mr. Li Guojiang. Mr. Dang Fei and Mr. Wang Xiaozhong are the founders of the Group and Mr. Li Guojiang has been an investor of the Group before the listing of the Shares on GEM; for details, please refer to the section headed "History, development and reorganization" in the prospectus of the Company dated 24 June 2020. Accordingly, no general meeting of the Company will be convened for the purpose of approving the Agreement and the Disposal.

### RECOMMENDATION

This circular is despatched to Shareholders for information purposes only. Although no general meeting will be convened, the Directors (including the independent non-executive Directors) are of the view that the Disposal, based on the reasons set out in the above paragraph "Reasons for and benefits of the Disposal", is fair and reasonable and are in the interests of the Company and the Shareholders as a whole. If a general meeting was convened for approving the Disposal, the Board would recommend the Shareholders to vote in favour of the ordinary resolution(s) to approve the Agreement and the transactions contemplated thereunder.

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## LETTER FROM THE BOARD

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### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

Yours faithfully,  
By order of the Board  
**China Saftower International Holding Group Limited**  
**Dang Fei**  
*Chairman and Executive director*

**1. STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 August 2023, being the most recent practicable date for the purpose of indebtedness statement of the Group prior to the printing of this circular, the Group had the following outstanding indebtedness:

|  | <i>RMB'000</i> |
|--|----------------|
| Bank and other borrowings – secured and guaranteed       | 83,518         |
| Other borrowings – unsecured and unguaranteed            | 18,000         |
| Lease liabilities – secured and unguaranteed             | 84             |
| Amount due to a shareholder – unsecured and unguaranteed | 13,988         |
|  | <u>115,590</u> |

The Group's guaranteed bank and other borrowings were guaranteed by directors of the Company, shareholders of the Company, close family members of directors of the Company and independent third parties.

Save as aforesaid, as at 31 August 2023 being the most recent practicable date for the purpose of this indebtedness statement prior to the printing of this circular, and apart from the intra-group liabilities, the Group did not have any debt securities issued and outstanding, any authorised or otherwise created but unissued, term loans, other borrowings, indebtedness in nature of borrowings including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, debentures, mortgages, charges, recognised lease liabilities, which are either guaranteed, unguaranteed, secured, or unsecured, or other material contingent liabilities or guarantees outstanding at the close of business.

**2. WORKING CAPITAL**

The Directors, after due and careful enquiries, are of the opinion that, after taking into account the effect of the Disposal, cash flow from operations, the facilities available and the Group's present available financial resources, the Group will have sufficient working capital for its present requirements for the next twelve (12) months from the date of this circular, in the absence of unforeseeable circumstances.

### 3. FINANCIAL AND TRADING PROSPECTS

The Group is a regional manufacturer and supplier of wires and cables and also engages in processing of aluminum cast-rolled coil and aluminum plate manufacturing of foil, with integrated production facilities situated in Chengdu, Guangyuan and Yaan of Sichuan Province, the PRC. The Group's products can be broadly classified into four categories: (i) finished wires and cables; (ii) semi-finished wires; (iii) aluminium products; and (iv) other products, which comprise cable accessories. The Group's portfolio of finished wires and cables products comprises classic and special products. Apart from finished wires and cables, the Group also produce semi-finished wires comprising aluminium rods and bare copper wires to maximise the Group's market exposure and enlarge its market share.

As disclosed in the interim report of the Company dated 14 August 2023, despite the challenges faced by manufacturers and suppliers of wires and cables in the PRC, there are also several factors that could help to sustain and grow the industry, which includes (i) increasing demand for wires and cables across various industries such as automotive, construction, and telecommunications; (ii) the Chinese government's continued investment in infrastructure development; (iii) the increasing adoption of renewable energy sources; and (iv) domestic market development in PRC. Considering these factors, it is reasonable to expect that the financial performance of wire and cable manufacturers in the PRC will improve in the foreseeable future. However, it is essential for companies in the industry to stay updated with market trends, invest in research and development, and maintain high-quality standards to remain competitive and capitalize on the opportunities presented by these growth drivers.

The Group remains resilient, agile and nimble and will continue to adapt, manage and calibrate to emerge stronger amidst the challenges. Upon Completion, the Group's financial and cash position can be further strengthened, and the Group will explore investment opportunities and projects that will enhance its revenue and profit growth in future. The Group will adopt a proactive yet cautious approach in pursuing its asset and business expansion while maintaining flexibility to cope with the ever changing business and economic environment.

*The following is the English translation of the Asset Valuation Report. The Asset Valuation Report was prepared in Chinese and the following English version is a translation of the original. In case of discrepancies between the two versions, the Chinese version shall prevail.*

This report is prepared in accordance with the PRC Assets Valuation Standards

**The Market Value of Machinery and Equipment Involved  
in the Proposed Business Decision of  
Sichuan Saftower Industrial Co., Ltd.**

**Asset Valuation Report  
Sichuan Tianyi Asset Review Bao Zi (2023) No. T146**

(Volume 1 of Volume 1)

**Sichuan Tianyi Real Estate Land Asset Valuation Co., Ltd.\*  
(四川天一房地產土地資產評估有限公司)**

**27 July 2023**

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**DISCLAIMER**

- I. The Asset Valuation Report is prepared in accordance with the Basic Standards for Asset Valuation issued by the Ministry of Finance and the Practice Standards and Professional Ethics for Asset Valuation issued by the Asset Valuation Association of China.
- II. The consignor or other users of the Asset Valuation Report shall use the Asset Valuation Report in accordance with the provisions of laws and administrative regulations and the scope of use specified in the Asset Valuation Report. If the consignor or other users of the Asset Valuation Report use the Asset Valuation Report in violation of the foregoing provisions, the asset valuation institution and the asset appraiser shall not be liable.
- III. The Asset Valuation Report shall only be used by the consignor, other users of the Asset Valuation Report as agreed in the asset valuation commission contract and users of the Asset Valuation Report as required by laws and administrative regulations. In addition, any other institution or individual shall not be a user of this Asset Valuation Report.
- IV. The user of the Asset Valuation Report shall correctly understand and use the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation object, and the valuation conclusion shall not be considered as a guarantee for the realizable price of the valuation object.
- V. The asset valuation institution and the asset appraiser shall abide by laws, administrative regulations and asset valuation standards, adhere to the principles of independence, objectivity and impartiality, and bear the responsibility for the Asset Valuation Report issued by it according to law.
- VI. The list of assets involved in the valuation object shall be declared by the consignor and confirmed by signature, seal or other means permitted by law. The consignor and other relevant parties shall be responsible for the authenticity, integrity and legality of the materials provided by them according to law.
- VII. The asset valuation institution and the asset appraiser have no existing or expected interest relationship with the valuation object in the Asset Valuation Report. There is no existing or expected interest relationship with the relevant parties, and there is no prejudice against the relevant parties.
- VIII. The asset appraiser has conducted on-site investigation on the valuation object and the assets involved in the Asset Valuation Report. Necessary attention has been paid to the legal ownership of the valuation object and the assets involved, the legal ownership information of

the valuation object and the assets involved have been checked, the problems found have been truthfully disclosed, and the consignor and other relevant parties have been requested to improve the property rights to meet the requirements of issuing the Asset Valuation Report.

- IX. The analysis, judgment and results in the Asset Valuation Report issued by the asset valuation institution are subject to the assumptions and restrictions in the Asset Valuation Report, and the user of the Asset Valuation Report shall fully consider the assumptions, restrictions and special matters stated in the Asset Valuation Report and their impact on the valuation conclusion.

**The Market Value of Machinery and Equipment Involved in the Proposed  
Business Decision of Sichuan Saftower Industrial Co., Ltd.**

**Summary of the Asset Valuation Report**

**Sichuan Tianyi Asset Review Bao Zi (2023) No. T146**

The following content is extracted from the text of the Asset Valuation Report. For details of the valuation business and a correct understanding of the valuation conclusion, you should read the text of the Asset Valuation Report.

- I. Consignor: Sichuan Saftower Industrial Co., Ltd.
- II. The Valuated Unit: Sichuan Saftower Industrial Co., Ltd. and Yaan Baosheng Metal Material Co., Ltd.
- III. Purpose of Valuation: To provide value reference for the machinery and equipment involved in the proposed business decision of Sichuan Saftower Industrial Co., Ltd.
- IV. Valuation Object: The market value of the machinery and equipment involved in the proposed business decision of Sichuan Saftower Industrial Co., Ltd.
- V. Valuation Scope: Business decisions involving 88 items of machinery and equipment of Sichuan Saftower Industrial Co., Ltd.
- VI. Type of Value: Market value.
- VII. Valuation Base Date: 30 June 2023.
- VIII. Valuation Approach: Cost approach.
- IX. Valuation Conclusion: through the above valuation, as at the valuation base date on 30 June 2023, the valuation value of the machinery and equipment involved in the proposed business decision of Sichuan Saftower Industrial Co., Ltd. is RMB21,758,944.00 (RMB Twenty One Million Seven Hundred Fifty Eight Thousand Nine Hundred Forty Four Yuan Only) without tax (VAT).

Please refer to the Asset Valuation Schedule attached to this report for the valuation results of each asset.

**X. Validity of Valuation Conclusion:**

The validity of this valuation conclusion shall be one year from the Valuation base date, starting from 30 June 2023 to 29 June 2024. This Asset Valuation Report can only be used when the valuation base date and the date of realization of economic behavior are less than one year.

**XI. Special Matters that Have an Impact on the Valuation Conclusion:**

- (1) For machinery and equipment into the scope of valuation, the consignor only provides part of the purchase contract and invoice. The consignor promises that the assets included in the scope of this valuation are all owned by Sichuan Saftower Industrial Co., Ltd. and Yaan Baosheng Metal Material Co., Ltd., without any mortgage guarantee. This valuation is based on the premise that the valuated unit has complete property rights to the valuated assets.
- (2) The on-site inspection of the valuation object is limited to the verification of its appearance and use status. For the covered, unexposed and hard-to-reach parts as well as safety and fire conditions, this report assumes that the valuation objects comply with relevant national technical standards and quality acceptance specifications.

**The Market Value of Machinery and Equipment Involved in the Proposed  
Business Decision of Sichuan Saftower Industrial Co., Ltd.**

**Asset Valuation Report**

**Sichuan Tianyi Asset Review Bao Zi (2023) No. T146**

27 July 2023

Sichuan Saftower Industrial Co., Ltd.:

Entrusted by you, Sichuan Tianyi Real Estate Land Asset Valuation Co., Ltd.\* (四川天一房地產土地資產評估有限公司) has valued the market value of the machinery and equipment involved in the proposed business decisions of Sichuan Saftower Industrial Co., Ltd. on 30 June 2023 by using the cost approach and in accordance with relevant laws and regulations, asset valuation criteria and asset valuation principles, and in accordance with the necessary valuation procedures. The assets valuation status is now reported as follows:

**I. The Consignor, the Valuated Unit and Other Users of the Asset Valuation Report as Agreed in the Asset Valuation Commission Contract**

***1. The consignor and the valuated unit 1***

Name: Sichuan Saftower Industrial Co., Ltd.

Legal Representative: Dang Fei

Registered Capital: RMB Ninety One Million Eight Hundred Thousand Yuan Only

Uniform Social Credit Code: 91510100762283254C

Date of Establishment: 24 June 2004

Type of Enterprise: Limited liability company (solely legal person invested or controlled by non-natural persons)

Address: No. 88, Qingma Road, South Area of Chengdu Modern Industrial Port, Pidu District, Chengdu

Business Scope: Licensed items: wire, cable manufacturing. (For projects subject to approval according to law, business activities can only be carried out after approval by relevant departments, and specific business projects shall be subject to approval documents or license certificates of relevant departments) General projects; Wire and cable business, import and export of goods; Machinery and equipment leasing, non-residential real estate leasing, machinery and electrical equipment manufacturing, machinery and electrical equipment sales, power facility equipment sales, power facility equipment manufacturing, hardware products wholesale: hardware products retail; Sales of high-performance non-ferrous metals and alloy materials; Nonferrous metal alloy sales. (Except for the projects subject to approval according to law, independently carry out business activities according to law with the business license).

## 2. *The valuated unit 2*

Name: Yaan Baosheng Metal Material Co., Ltd.

Legal Representative: Dang Fei

Registered Capital: RMB14.00 million

Uniform Social Credit Code: 91511827MA6B07H803

Date of Establishment: 1 September 2020

Type of Enterprise: Limited liability company (solely legal person invested or controlled by non-natural persons)

Business Term: 2020-09-01 to unlimited term

Registered Address: No. 1 Plaza Road, Zhongling Village, Lingguan Town, Baoxing County, Ya'an City, Sichuan Province

Business Scope: Aluminum calendaring processing; Common non-ferrous metal smelting (excluding hazardous chemicals); Non-ferrous metal calendaring processing; Aluminum alloy cable manufacturing; Aluminum smelting; Sales of aluminum; Recycling of renewable resources (excluding solid waste, hazardous waste, scrapped vehicles and other projects subject to approval by relevant departments); Import and export of goods; Technology import and export; General freight; Trade agency; Sales of metal materials; Sales of copper materials; Sales of chemical products (excluding hazardous chemicals); Car rental; Self-owned commercial housing leasing services. (Except for the projects subject to approval according to law, independently carry out business activities according to law with the business license).

The two valuated units are indirect wholly-owned subsidiaries under the same group.

**3. *Other users of the valuation report as agreed in the asset valuation commission contract***

The asset valuation commission contract does not stipulate any user of the valuation report other than the consignor.

**II. Purpose of Valuation**

The purpose of this valuation is to provide the market price reference basis for the machinery and equipment involved in the proposed business decision of Sichuan Saftower Industrial Co., Ltd. on the valuation base date, under the condition of installed in use and continuous use in situ.

**III. Valuation Object and Scope**

Valuation object: The valuation object 1 is the market value of the machinery and equipment of Sichuan Saftower Industrial Co., Ltd., which is involved in the consignor's proposed business decision; The valuation object 2-88 is the market value of machinery and equipment of Yaan Baosheng Metal Material Co., Ltd., which is involved in the consignor's proposed business decision.

Valuation scope: The scope of this valuation is that the proposed business decision entrusted by the consignor involves 1 piece of machinery and equipment (horizontal aluminum plate casting and rolling unit) owned by Sichuan Saftower Industrial Co., Ltd., and 87 pieces of machinery and equipment (mainly horizontal aluminum plate casting and rolling unit, rectangular melting furnace, insulation furnace, pulse bag dust removal equipment, etc.) owned by Yaan Baosheng Metal Material Co., Ltd.

The specific scope shall be subject to the valuation schedule declared by the entrusting party.

**(1) *The legal ownership of assets***

After checking the equipment purchase contract, invoice and other ownership supporting materials provided by the consignor, the equipment to be valued shall be purchased by the valuated unit.

**(2) *Economic conditions of assets***

The equipment to be valued is mainly used for aluminum production by the valuated unit, which is mainly purchased and built between 2013 and 2022 and is in use.

**(3) *Physical condition of the assets***

The equipment to be valued is installed in the factory area of Yaan Baosheng Metal Material Co., Ltd., with good maintenance condition, normal operation and good appearance, and some equipment has slight rust.

For details of the assets included in the valuation scope, please refer to the Asset Valuation Schedule attached to this report.

**IV. Type of Value**

**(1) *Value types and their selection***

According to the Guidance on Asset Valuation Value Types, value types include market value and value other than market value (such as investment value, in-use value, liquidation value, residual value, etc.).

After full communication with the consignor, the market value is selected.

(2) *Definition of market value*

Market value refers to the estimated amount of value of the valuation object in normal and fair transaction on the valuation base date under the condition that the voluntary buyer and the voluntary seller act rationally and without any compulsion.

**V. Valuation Base Date**

The valuation base date of this project is 30 June 2023. The valuation base date is the benchmark time for confirming the asset valuation price. In this asset valuation, the definition of the scope of asset valuation, determination of valuation price, selection of valuation parameters, etc., are determined by the conditions of the assets valued on the instruction of enterprises, external economic environment, and market conditions of the company on the valuation base date. All pricing standards in this report are valid on the valuation base date.

The valuation base date shall be determined by the Company and the consignor through consultation according to the nature of economic behavior and the information provided by the consignor, and can be close to the realization date of the valuation purpose, so that the valuation result can effectively serve the valuation purpose.

**VI. Basis of Valuation**

Valuation agencies and appraisers mainly abide by the following bases (including but not limited to) in the valuation process:

(1) *Legal and regulatory basis*

1. Asset Valuation Law of the People's Republic of China (Order of the President of the People's Republic of China [2016] No. 46);
2. Civil Code of the People's Republic of China (adopted by voting at the Third Session of the 13th National People's Congress on 28 May, 2020);
3. Measures for Financial Supervision and Administration of Asset Valuation Industry (amended in accordance with Order No. 97 of the Ministry of Finance in January 2019);

4. Interim Regulations of the People's Republic of China on Value-added Tax (revised for the second time in accordance with Order No. 691 of The State Council on 19 November, 2017) and its implementation rules and relevant norms;
5. Other laws and regulations related to the asset valuation.

(2) *Basis of criteria*

1. Basic Criteria for Asset Valuation (Caizi [2017] No. 43);
2. Code of Professional Ethics for Asset Valuation (China Valuation Association [2017] No. 30);
3. Practice Standards for Asset Valuation — Asset Valuation Procedures (China Valuation Association [2018] No. 36);
4. Code of Professional Ethics for Asset Valuation (China Valuation Association [2018] No. 35);
5. Practice Standards for Asset Valuation — Asset Valuation Commission Contract (China Valuation Association [2017] No. 33);
6. Practice Standards for Asset Valuation — Asset Valuation Files (China Valuation Association [2018] No. 37);
7. Practice Standards for Asset Valuation — Machinery and Equipment (China Valuation Association [2017] No. 39);
8. Practice Standards for Asset Valuation — Asset Valuation Approach (China Valuation Association [2019] No. 35);
9. Guidance on Asset Valuation Value Types (China Valuation Association [2017] No. 47);

10. Guiding Opinions on Legal Ownership of Asset Valuation Objects (China Valuation Association [2017] No. 48);

**(3) *Basis of ownership***

1. Contract and invoice information provided by the consignor;
2. Other ownership materials.

**(4) *Basis for price determination***

1. Manual of Commonly Used Data and Parameters for Asset Valuation;
2. Market inquiry information;
3. Statistical data and technical standard data issued by relevant state departments;
4. Other price information and cost data related to valuation collected, queried and sorted out by appraisers.

## **VII. Valuation Approach**

**(1) *Introduction to valuation approach***

According to the Practice Standards for Asset Valuation — Asset Valuation Approach, asset valuation approach refer to the ways and means to value and estimate the value of assets, which mainly include three basic approaches and their derivatives: market approach, income approach and cost approach:

**1. *Market approach***

The market approach is a general term for the valuation approach that determines the value of the valuation object based on the market price of the comparable reference by comparing the valuation object with the comparable reference.

The application premises of adopting the market approach are:

- The comparable reference for the valuation object has an open market and active trading;
- The necessary information about the transaction is available.

## 2. *Income approach*

Income approach refers to the general name of various valuation approach that determine the value of the valuation object by capitalization or discount the expected income of the valuation object.

The application premises of adopting the income approach are:

- The future earnings of the valuation object can be reasonably expected and measured in money;
- The risk corresponding to expected return can be measured;
- The duration of earnings can be determined or reasonably expected.

## 3. *Cost approach*

Cost approach refers to the general term of the valuation approach that takes the reconstruction or replacement cost as the basis to determine the value of the valuation object and deducts the relevant depreciation to determine the value of the valuation object according to the idea of reconstruction or replacement of the valuated object.

The application premises of adopting the cost approach are:

- The valuation object can be used normally or in use;
- The valuation object can be obtained through the reset path;

- The replacement cost of the valuated object and the related depreciation can be reasonably estimated.

**(2) Selection of valuation approach**

As there is no active rental market of the same or similar machinery and equipment for entrusted valuation, and there is no independent earning ability, the income approach is not applicable for valuation. At the same time, there is no active second-hand open trading market for entrusted valuation machinery and equipment, so market approach is not applicable to valuation. However, in view of the fact that the entrusted valuation machinery and equipment is replicable, that is, the re-purchase of assets, and the replacement cost of the re-purchase and the depreciation under the current situation can be determined, the cost approach can be adopted for valuation.

Accordingly, the cost approach is used to value the entrusted valuation machinery and equipment.

**(3) Specific application of valuation approach**

The equipment to be valuated is mainly used equipment, and there is no active trading market of similar second-hand equipment or active leasing market of similar equipment in the region, so it is not suitable to use the market approach and income for valuation. In view of the fact that the equipment to be valuated is normally usable equipment, can be obtained through replacement, and its replacement cost and related depreciation can be reasonably estimated, the cost approach can be used for valuation.

The cost approach is adopted to value the equipment, and the basic calculation formula is as follows:

$$\text{Valuated value of equipment} = \text{full replacement price of equipment} \times \text{residue ratio}$$

**1. Full price for equipment replacement (without tax):**

The full replacement price of equipment refers to the total cost of repurchasing, constructing or forming an asset in a new state exactly the same or basically similar to the equipment to be valuated under current conditions, namely:

Full replacement price of equipment = purchase price of equipment + purchase tax + transportation and miscellaneous fees + installation and commissioning fees + capital cost – VAT deductible

Among them:

(1) Purchase price of equipment

It is mainly determined by market inquiry, consulting relevant equipment quotation information, and appraisers according to the relevant price information collected.

(2) Purchase tax

For equipment such as vehicles that need to pay purchase taxes, the amount of taxes payable shall be calculated according to the current national tax and fee policies. The cost is zero for equipment that is not subject to purchase tax.

(3) Transportation and miscellaneous fees

To equipment people pay for itself to purchase equipment installation using the freight between, if there are any costs associated with the rate indicators (such as the estimate index published by the state or the department concerned, etc.), in the equipment purchase price multiplied by the rate and determine the amount of the cost, or current market freight rates and equipment according to the dual distance and the actual situation and determine the amount of the freight. For those who do not require the equipment purchaser to pay for transportation and miscellaneous fees between the place of purchase and the place of use of the equipment, the cost is zero.

(4) Installation and commissioning fees

For the equipment that needs to be installed or commissioned, and the equipment purchaser needs to pay additional installation and commissioning costs in addition to the purchase price of the equipment, if there is a rate index for the relevant costs to account for the purchase price (such as the estimated budget index published by the state or relevant departments, etc.), the amount of

the cost shall be determined by multiplying the purchase price of the equipment by the rate, or according to the actual charge level of the equipment supplier.

For equipment that does not need to be installed or debug, or that does need to be installed or debug but does not need to be paid separately by the equipment purchaser in addition to the purchase price, the cost shall take the value of zero.

(5) Capital cost

Based on the reasonable installation and commissioning period and the Loan Prime Rate (LPR) applicable on the valuation base date.

2. *Residue ratio*

The residue ratio is the ratio that reflects the current value of an asset to its full replacement price in a new condition.

The residue ratio is determined by the age approach, the fractional scoring approach, or a combination of the two. In the analysis and calculation process of the residue ratio, full attention should be paid to the design, manufacturing, actual use, maintenance, repair and transformation of the equipment, and full consideration should be given to the influence of factors such as the design service life, physical life, economic life, existing performance, operating status and technological progress.

- (1) For major equipment, the integrated residue ratio (N) is determined by weighted average approach using the residue ratio by age approach (N1) and the residue ratio by technical identification approach (N2):

$$N=N1 \times 40\% + N2 \times 60\%$$

Among them:

$$N1=1 - \text{years of service} / \text{years of economic life}$$

N2 is determined by on-site investigation by appraisers, on the basis of fully understanding the load, maintenance, repair, technical transformation, environmental conditions, completed workload and other conditions of the equipment, and on the basis of monitoring and division identification with the technical personnel of the equipment

using unit to judge various losses and technical and economic indicators of the equipment, and compare with the new equipment. The residue ratio of technical identification is determined by scoring approach.

- (2) For other non-major equipment, the residue ratio shall be determined by the age approach:

According to the situation of on-site investigation, combined with the actual technical status, manufacturing quality, normal load rate, maintenance, technical transformation, working environment and conditions of the equipment, the appraiser analyzes and values the economic life of the equipment:

Residue ratio = (1 - years of service / years of economic life)

### **VIII. The Implementation Process and Situation of the Valuation Procedure**

In carrying out asset valuation business, an asset appraiser shall abide by relevant provisions of laws, regulations and asset valuation standards and perform appropriate valuation procedures.

#### ***(1) Clarification of the basic matters of valuation business***

The consignor intends to understand the market value of the machinery and equipment involved in the business decision and entrust the Company to value the machinery and equipment of the valuated unit.

#### ***(2) Signing of asset valuation commission contract***

After the Company decides to accept the commission of valuation, both parties shall sign the asset valuation commission contract and confirm in writing the basic matters of the valuation business reached by both parties.

1. Purpose of valuation;
2. Valuation object and scope;
3. Valuation base date;
4. Valuation report users;
5. Submission period and approach of the valuation report;
6. The total amount of valuation service fee, payment time and approach;
7. Valuation agency and other rights and obligations of the consignor;
8. Liability for breach of contract and dispute resolution;
9. Signing time.

**(3) *Preparation of valuation plans***

After understanding the valued assets, the company prepares a valuation plan, which covers the whole process of the implementation of valuation business such as on-site investigation, collection of valuation data, valuation and estimation, preparation and submission of the valuation report, and shall be submitted to the relevant responsible person of the valuation institution for review and approval before implementation.

**(4) *On-site investigation***

The appraiser shall conduct on-site investigation on the assets to be valued according to the asset valuation schedule on the valuation base date provided by the consignor.

1. Conduct investigation by means of inquiry, investigation and inspection to obtain basic information needed by valuation business, understand the current situation of valuation objects, and pay attention to the legal ownership of valuation objects;

2. Conduct on-site investigation, record and photograph the assets, and investigate and communicate with the technical personnel of the property rights holder on the renewal rate of the assets and other conditions.

**(5) *Collecting and analyzing valuation materials***

Valuation data refer to the information related to valuation business, including the collection of valuation data and the necessary analysis, induction and sorting of the collected valuation data according to the specific situation of valuation business, so as to form the basis for valuation and estimation.

1. Information related to valuation business obtained independently by appraisers directly from the market and other channels, mainly price information;
2. The consignor provided detailed information related to the valuation object and scope;
3. Asset valuation schedule provided by the consignor or the property right holder;
4. Certification materials provided by the consignor or the property right holder on the current situation of the valuation object and the legal ownership of the valuation object.

**(6) *Valuation and estimation***

Valuation and estimation is the process of financial analysis, adjustment and application of valuation approach provided by enterprises, which mainly includes two parts: the determination of replacement cost of machinery and equipment and the determination of residue ratio.

**(7) *Preparation and submission of valuation reports***

After the appraiser conducts self-inspection on the sub-projects in his charge, the project leader shall conduct a first-level review on the compliance of the valuation process, the fairness of the valuation results, the handling approach of special matters in the valuation and the correctness of the disclosure prompt opinions of important matters affecting the valuation conclusion, the integrity of the valuation attachment, and the compliance and integrity of the valuation report, and

prepare valuation reports in accordance with the requirements of laws, regulations and asset valuation guidelines.

The department manager and the chief auditor shall conduct second-level and third-level review of the handling of special matters in the valuation work and the valuation results, judge the objectivity and fairness of the valuation conclusion, prompt the review opinions, issue the valuation report after being reviewed and approved by the head of the valuation institution, and submit the valuation report to the consignor according to the requirements of the asset valuation entrustment contract.

***(8) Filing of working papers***

After issuing the formal report, the asset appraiser sorts out the working papers in accordance with the requirements of laws, regulations and asset valuation standards, and forms valuation files together with the valuation report in a timely manner.

**IX. Valuation Assumptions**

Follow the valuation hypothesis in the process of valuation, as one of the assumptions and, valuation conclusion, valuation report will be invalid.

***I. General assumptions***

***(1) Assumption of continuous use***

The assumption that the assets to be valued continue to be used in situ according to the current use of hypothesis means that the assets to be valued continue to be used in situ according to the current use and use mode, scale, frequency, environment, etc.

(2) *Transaction assumptions*

Assuming that the asset being valued is already in the process of trading, the appraiser values the market according to the trading conditions of the asset being valued. Transaction assumption is one of the most basic assumptions for asset valuation.

(3) *Open market assumption*

Assuming that the asset being valued will be in a more perfect publicly traded on the market, both parties equal to each other had a chance to get enough market information and time, in order to function, uses and market price for assets such as make rational judgment.

**2. *Other assumptions***

1. Assumption of asset property rights and equity: Unless we have found matters related to property rights and equity restrictions in the “Notes on Special Matters” in this report during the performance of legal valuation procedures, it is assumed that the valued unit has complete ownership, management, disposal and earnings rights of the assets declared by the consignor, and is not subject to any equity restrictions.
2. Valuation of data authenticity hypothesis: We have carried out necessary verification, analysis and sorting out of the asset ownership and other valuation materials submitted by the valued entity in accordance with the legal valuation procedures, and used them as the valuation basis. Unless counter evidence is found in the process of performing the valuation procedures, we assume that the valuation materials provided by the consignor to the valuation institution are true, legal and complete, without hiding or omission. All material matters, including mortgage guarantees, restrictions on equity in assets, contingencies, etc., have been reported to us.

At the same time, the information required for valuation provided by the consignor is used as the basis for valuation, so as to reasonably value the asset value by fully considering various factors affecting the asset value, rather than ensuring the authenticity, integrity and legality of the information required for asset ownership and other valuation provided by the consignor. It is not our duty to verify such information and prove its authenticity or completeness and legality.

3. Assumption of reliability of the quality of the assets to be valued: Our on-site investigation of the assets held by the valuated unit is limited to their appearance and use condition, and it is not our responsibility to test their internal quality such as structure. Unless there are exceptions learned in the performance of the valuation procedure, this report assumes that the inherent quality of the assets held by the valuated unit meets the relevant national standards and is sufficient to maintain their normal use.

## X. Valuation Conclusion

Through the above valuation, the valuation base date on 30 June 2023, the valuation value of the machinery and equipment involved in the proposed business decision of Sichuan Saftower Industrial Co., Ltd. is RMB21,758,944.00 (RMB Twenty One Million Seven Hundred Fifty Eight Thousand Nine Hundred Forty Four Yuan Only) without tax (VAT). Please refer to the Asset Valuation Schedule attached to this report for the valuation results of each asset.

| Asset classes           | The property right holder              | Quantity | Valuation value | Note                                 |
|-------------------------|--|----------|-----------------|--------------------------------------|
| Machinery and equipment | Sichuan Saftower Industrial Co., Ltd.  | 1 item   | 1,506,014.00    | Item 1 of the valuation schedule     |
| Machinery and equipment | Yaan Baosheng Metal Material Co., Ltd. | 77 items | 20,252,930.00   | Items 2-88 of the valuation schedule |

The validity of this valuation conclusion shall be one year from the valuation base date, starting from 30 June 2023 to 29 June 2024. This Asset Valuation Report can only be used when the valuation base date and the date of realization of economic behavior are less than one year.

**XI. Explanation of Special Matters*****(1) The main information such as ownership is incomplete or defective***

For the machinery and equipment included in the valuation scope, the consignor only provides part of the purchase contract and invoice; The entrusting party promises that the assets included in the scope of this valuation are owned by Sichuan Saftower Industrial Co., Ltd. and Yaan Baosheng Metal Material Co., Ltd., without any mortgage guarantee. This valuation is conducted on the premise that the valuated unit has complete property rights to the valuated assets.

***(2) Other key information not provided by the consignor***

None.

***(3) Uncertainties such as pending matters and legal disputes existing on the valuation base date***

None.

***(4) Important using experts work and related report***

None.

***(5) Items that may affect the valuation conclusion between the valuation base date and the date of the Asset Valuation Report***

None.

***(6) The circumstances relating to the limitations of the valuation process, remedial measures taken by the valuation body and their impact on the valuation conclusion***

None.

(7) *Other matters requiring explanation*

None.

**XII. Restrictions on the Use of Asset Valuation Reports**

1. This valuation report can only be used for the purposes and uses specified in the valuation report.
2. The valuation report can only be used by the consignor, other Asset Valuation Report users agreed in the asset valuation commission contract and Asset Valuation Report users stipulated by laws and administrative regulations. In addition, any other institution or individual shall not be the user of this Asset Valuation Report.
3. If the consignor or other users of the Asset Valuation Report fail to use the Asset Valuation Report in accordance with the provisions of laws and administrative regulations and the scope of use specified in the Asset Valuation Report, the asset valuation institution and its asset valuation professionals shall not be liable.
4. The user of the Asset Valuation Report shall correctly understand and use the valuation conclusion. The valuation conclusion is not equivalent to the realizable price of the valuation object, and the valuation conclusion should not be considered as a guarantee of the future realizable value of the valuation object.
5. The valuation report result is the valuation result made according to conditions such as quantity, condition, market price, interest rates, tax rates, regulation and policy, and ways of application etc. of the assets of the property rights holder on the valuation base date for the purpose of this report, not considering the situation within the validity period of the report after the valuation base date changes impact on the results of the valuation.

**XIII. Date of Asset Valuation Report**

The date of Asset Valuation Report is the date of forming the valuation conclusion: 27 July 2023.

**XIV. Signature of Asset Appraiser and Seal of Asset Valuation Institution**

Asset appraiser:

Asset appraiser:

Sichuan Tianyi Real Estate Land Asset Valuation Co., Ltd.\*  
(四川天一房地產土地資產評估有限公司)  
27 July 2023

**ATTACHMENTS**

1. Summary and schedule of assets valuation results;
2. Asset valuation commission letter;
3. A copy of the consignor's Business License;
4. A copy of the Business License of the property right holder;
5. On-site investigation of some assets photos;
6. Property right holder undertaking letter;
7. Asset appraiser commitment letter;
8. Copies of the qualification certificates of the signed asset appraiser and the asset valuation institution;
9. A copy of the business license of the asset valuation institution.

## Summary of assets valuation results

Valuation Base Date: June 30, 2023.

Table 1

Consignor: Sichuan Saftower Industrial Co., Ltd.

Monetary unit: RMB yuan

| Item | Carrying amount                        |               |                | Valuation     |                | Increment or decrement |                | Increase or decrease % |  |
|------|--|---------------|----------------|---------------|----------------|------------------------|----------------|------------------------|--|
|      | A                                      | B             | C              | D             | E=C-A          | F=D-B                  | G=E/A×100%     | H=F/B×100%             |  |
|      | Original value                         | Net value     | Original value | Net value     | Original value | Net value              | Original value | Net value              |  |
| 1    | Total value of equipment category      | 30,768,799.92 | 30,934,710.00  | 21,758,944.00 | 165,910.08     |                        |                |                        |  |
| 1-1  | Fixed assets — Machinery and equipment | 30,768,799.92 | 30,934,710.00  | 21,758,944.00 | 165,910.08     |                        |                |                        |  |

Appraiser: Sichuan Tianyi Real Estate Land Asset Valuation Co., Ltd.\*  
(四川天一房地產土地資產評估有限公司)

## Fixed assets-Machinery and equipment valuation schedule

Valuation Base Date: June 30, 2023.

Monetary unit: RMB yuan

| Serial number | Property right holder                  | Name of equipment  | Production line | Specification and model | Manufacturer  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value    | Increment rate (%) | Note |
|---------------|--|--|-----------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|--------------|--------------------|------|
| 1             | Sichuan Saftower Industrial Co., Ltd.  | Horizontal aluminum plate casting and rolling machine                      | 1               | Φ850*1850               | Zhuozhou Chengda Equipment Manufacture Co., Ltd.                | Set            | 1        | 2013/08/01      | 3,053,097.36    | 2,689,310.00   | 56                          | 1,506,014.00 |                    |      |
| 2             |  | Rectangular regenerative aluminum melting furnace and supporting equipment | 1               | 20T                     | Hunan Keheng Electric Co., Ltd.                                 | Set            | 1        | 2021/06/03      | 637,168.14      | 702,660.00     | 75                          | 526,995.00   |                    |      |
| 3             |  | Square insulation furnace and supporting equipment                         | 1               | 22T                     | Hunan Keheng Electric Co., Ltd.                                 | Set            | 1        | 2021/09/01      | 438,000.00      | 483,020.00     | 76                          | 367,095.00   |                    |      |
| 4             | Yaan Baosheng Metal Material Co., Ltd. | Fiberglass cooling tower   | 1               | DFNDP-250               | Qinyang Chuanghui Industry Co., Ltd.                            | Set            | 1        | 2021/07/01      | 53,097.35       | 66,170.00      | 77                          | 50,951.00    |                    |      |
| 5             |  | Degassing box<br>Filter box  | 1               | APP-15F MTX-3           | Fuzhou METAL-NEW HIGH-TEMP. Tech. Co., Ltd.                     | Set            | 1        | 2021/07/01      | 59,292.04       | 77,380.00      | 75                          | 58,035.00    |                    |      |
| 6             |  | Vertical centrifugal pump  | 1               | 125KQL160-50-3/72       | Shanghai Kaiquan Pump Industry (Group) Co., Ltd. Chengdu Branch | Set            | 1        | 2021/06/10      | 8,584.07        | 11,200.00      | 75                          | 8,400.00     |                    |      |

| Serial number | Property right holder | Name of equipment  | Production line | Specification and model | Manufacturer  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value    | Increment rate (%) | Note |
|---------------|-----------------------|--|-----------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|--------------|--------------------|------|
|               |                       |  |                 |                         |   |                |          |                 |                 |                |                             |              |                    |      |
| 7             |                       | Inclined aluminum sheet casting and rolling line                           | 2               | Φ850*1650               | Gongyi City Jinheng Machinery Factory                           | Set            | 1        | 2021/09/01      | 1,681,415.93    | 2,095,290.00   | 78                          | 1,634,326.00 |                    |      |
| 8             |                       | Rectangular regenerative aluminum melting furnace and supporting equipment | 2               | 20T                     | Hunan Keheng Electric Co., Ltd.                                 | Set            | 1        | 2021/06/03      | 637,168.14      | 702,660.00     | 75                          | 526,995.00   |                    |      |
| 9             |                       | Square insulation furnace and supporting equipment                         | 2               | 22T                     | Hunan Keheng Electric Co., Ltd.                                 | Set            | 1        | 2021/09/01      | 438,000.00      | 483,020.00     | 76                          | 367,095.00   |                    |      |
| 10            |                       | Fiberglass cooling tower   | 2               | DFNDP-200               | Qinyang Chuanghui Industry Co., Ltd.                            | Set            | 1        | 2022/04/01      | 46,000.00       | 56,530.00      | 82                          | 46,355.00    |                    |      |
| 11            |                       | Degassing box Filter box   | 2               | APF-15F MTX-3           | Fuzhou METAL-NEW HIGH-TEMP. Tech. Co., Ltd.                     | Set            | 1        | 2021/07/01      | 59,292.04       | 77,380.00      | 75                          | 58,035.00    |                    |      |
| 12            |                       | Vertical centrifugal pump  | 2               | 125KQL160-50-37/2       | Shanghai Kaiquan Pump Industry (Group) Co., Ltd. Chengdu Branch | Set            | 1        | 2022/04/01      | 8,850.00        | 11,200.00      | 81                          | 9,072.00     |                    |      |
| 13            |                       | Inclined aluminum sheet casting and rolling machine                        | 3               | Φ850*1650               | Gongyi City Jinheng Machinery Factory                           | Set            | 1        | 2021/09/01      | 1,681,415.93    | 2,095,290.00   | 78                          | 1,634,326.00 |                    |      |
| 14            |                       | Regenerative aluminum melting furnace                                      | 3               | 20T rectangle           | Hunan Keheng Electric Co., Ltd.                                 | Set            | 1        | 2021/09/01      | 637,168.00      | 702,660.00     | 76                          | 534,022.00   |                    |      |

| Serial number | Property right holder | Name of equipment  | Production line | Specification and model | Manufacturer                                | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value  | Increment rate (%) | Note |
|---------------|-----------------------|--|-----------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|------------|--------------------|------|
| 15            |                       | Square insulation furnace and supporting equipment                         | 3               | 22T                     | Human Keheng Electric Co., Ltd.             | Set            | 1        | 2021/06/03      | 438,053.10      | 483,080.00     | 75                          | 362,310.00 |                    |      |
| 16            |                       | Fiberglass cooling tower   | 3               | DFNDP-250               | Qinyang Chuanghui Industry Co., Ltd.        | Set            | 1        | 2021/07/01      | 53,097.35       | 66,170.00      | 77                          | 50,951.00  |                    |      |
| 17            |                       | Degassing box Filter box   | 3               | APF-15F MTX-3           | Fuzhou METAL-NEW HIGH-TEMP. Tech. Co., Ltd. | Set            | 1        | 2022/04/01      | 59,292.04       | 76,310.00      | 81                          | 61,811.00  |                    |      |
| 18            |                       | Aluminum continuous casting and rolling unit                               | 4               | Φ850*1600               | Guangyuan ShutA Cable Co., Ltd.             | Set            | 1        | 2015/06/05      | 1,637,168.14    | 1,721,160.00   | 37                          | 636,829.00 |                    |      |
| 19            |                       | Rectangular regenerative aluminum melting furnace and supporting equipment | 4               | 20T                     | Human Keheng Electric Co., Ltd.             | Set            | 1        | 2021/09/01      | 637,168.00      | 702,660.00     | 76                          | 534,022.00 |                    |      |
| 20            |                       | Square insulation furnace and supporting equipment                         | 4               | 22T                     | Human Keheng Electric Co., Ltd.             | Set            | 1        | 2021/06/03      | 438,053.10      | 483,080.00     | 75                          | 362,310.00 |                    |      |
| 21            |                       | Fiberglass cooling tower   | 4               | DFNDP-200               | Qinyang Chuanghui Industry Co., Ltd.        | Set            | 1        | 2022/04/01      | 46,000.00       | 56,530.00      | 82                          | 46,355.00  |                    |      |
| 22            |                       | Degassing box Filter box   | 4               | APF-15F MTX-3           | Fuzhou METAL-NEW HIGH-TEMP. Tech. Co., Ltd. | Set            | 1        | 2021/07/01      | 59,292.04       | 77,380.00      | 75                          | 58,035.00  |                    |      |

| Serial number | Property right holder | Name of equipment                                     | Production line | Specification and model    | Manufacturer  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value    | Increment rate (%) | Note |
|---------------|-----------------------|---|-----------------|----------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|--------------|--------------------|------|
| 23            |                       | Vertical centrifugal pump                             | 4               | 125KQL 160-50-372          | Shanghai Kaiquan Pump Industry (Group) Co., Ltd. Chengdu Branch | Set            | 1        | 2021/06/10      | 8,584.07        | 11,200.00      | 75                          | 8,400.00     |                    |      |
| 24            |                       | Horizontal aluminum plate casting and rolling machine | 5               | Φ850*1850                  | Zhuozhou Chengda Equipment Manufacture Co., Ltd.                | Set            | 1        | 2013/08/01      | 2,000,511.00    | 2,689,310.00   | 56                          | 1,506,014.00 |                    |      |
| 25            |                       | Rectangular melting furnace · Holding furnace         | 5               | 22T                        | Hunan Senxin Furnace Manufacturing Co., Ltd.                    | Set            | 1        | 2022/08/01      | 1,088,495.58    | 1,337,700.00   | 85                          | 1,137,045.00 |                    |      |
| 26            |                       | Fiberglass cooling tower                              | 5               | DFNDP-250                  | Guangyuan ShuA Cable Co., Ltd.                                  | Set            | 1        | 2021/09/01      | 60,176.99       | 78,540.00      | 80                          | 62,832.00    |                    |      |
| 27            |                       | Degassing box Filter box                              | 5               | APF-15F MTX-3              | Fuzhou METAL-NEW HIGH-TEMP. Tech. Co., Ltd.                     | Set            | 1        | 2022/04/01      | 59,292.04       | 76,310.00      | 81                          | 61,811.00    |                    |      |
| 28            |                       | Vertical centrifugal pump                             | 5               | 125KQL 160-50-372          | Shanghai Kaiquan Pump Industry (Group) Co., Ltd. Chengdu Branch | Set            | 1        | 2021/06/10      | 8,584.07        | 11,200.00      | 75                          | 8,400.00     |                    |      |
| 29            |                       | Inclined aluminum sheet casting and rolling machine   | 6               | 1850 Installation included | Zhuozhou Chengda Equipment Manufacture Co., Ltd.                | Set            | 1        | 2013/08/01      | 2,000,511.00    | 2,689,310.00   | 56                          | 1,506,014.00 |                    |      |
| 30            |                       | Rectangular melting furnace · Holding furnace         | 6               | 22T rectangle              | Hunan Senxin Furnace Manufacturing Co., Ltd.                    | Set            | 1        | 2022/08/01      | 1,088,495.58    | 1,337,700.00   | 85                          | 1,137,045.00 |                    |      |

| Serial number | Property right holder | Name of equipment                     | Production line  | Specification and model | Manufacturer  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value    | Increment rate (%) | Note |
|---------------|-----------------------|---------------------------------------|------------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|--------------|--------------------|------|
| 31            |                       | Fiberglass cooling tower              | 6                | DFNDP-250               | Guangyuan ShutA Cable Co., Ltd.                                 | Set            | 1        | 2021/09/01      | 60,176.99       | 78,540.00      | 80                          | 62,832.00    |                    |      |
| 32            |                       | Degassing box<br>Filter box           | 6                | APF-15F MTX-3           | Fuzhou METAL-NEW HIGH-TEMP. Tech. Co., Ltd.                     | Set            | 1        | 2022/04/01      | 59,292.04       | 76,310.00      | 81                          | 61,811.00    |                    |      |
| 33            |                       | Vertical centrifugal pump             | 6                | 125KQL<br>160-50-372    | Shanghai Kaiquan Pump Industry (Group) Co., Ltd. Chengdu Branch | Set            | 1        | 2021/06/10      | 8,584.07        | 11,200.00      | 75                          | 8,400.00     |                    |      |
| 34            |                       | Pulse bag type dust removal equipment | Shared equipment | HP-185                  | Hunan Senxin Furnace Manufacturing Co., Ltd.                    | Set            | 1        | 2021/06/10      | 1,150,442.48    | 1,433,620.00   | 71                          | 1,017,870.00 |                    |      |
| 35            |                       | Desulfurization tower                 | Shared equipment | Φ2600*13500             | Hunan Senxin Furnace Manufacturing Co., Ltd.                    | Set            | 1        | 2021/06/10      | 106,194.69      | 132,330.00     | 75                          | 99,248.00    |                    |      |
| 36            |                       | Ball mill and supporting equipment    | Shared equipment | 1300*6000               | Hunan Senxin Furnace Manufacturing Co., Ltd.                    | Set            | 1        | 2021/09/30      | 234,513.27      | 292,240.00     | 76                          | 222,102.00   |                    |      |
| 37            |                       | Hot aluminum ash separator            | Shared equipment | 1300                    | Hunan Keheng Electric Co., Ltd.                                 | Set            | 1        | 2021/09/30      | 53,097.35       | 51,910.00      | 76                          | 39,452.00    |                    |      |
| 38            |                       | Hot aluminum ash separator            | Shared equipment | 1300                    | Hunan Senxin Furnace Manufacturing Co., Ltd.                    | Set            | 1        | 2022/04/01      | 57,079.65       | 62,180.00      | 81                          | 50,366.00    |                    |      |

| Serial number | Property right holder | Name of equipment                                | Production line  | Specification and model | Manufacturer                                  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value  | Increment rate (%) | Note |
|---------------|-----------------------|--|------------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|------------|--------------------|------|
| 39            |                       | Ash-cooling machine                              | Shared equipment | 1500*8000               | Hunan Senxin Furnace Manufacturing Co., Ltd.  | Set            | 1        | 2021/09/30      | 106,194.69      | 117,310.00     | 76                          | 89,156.00  |                    |      |
| 40            |                       | Ash Bucket of hot aluminum ash separator         | Shared equipment |                         | Hunan Senxin Furnace Manufacturing Co., Ltd.  | Set            | 4        | 2021/09/30      | 26,548.67       | 29,320.00      | 76                          | 22,283.00  |                    |      |
| 41            |                       | Nitrogen making machine and supporting equipment | Shared equipment |                         | Jiangyin Yuntian Nitrogen Equipment Co., Ltd. | Set            | 1        | 2021/06/05      | 265,486.73      | 308,920.00     | 75                          | 231,690.00 |                    |      |
| 42            |                       | Air compressor and supporting equipment          | Shared equipment | 45KW                    | Yan Longgang Trading Co., Ltd.                | Set            | 1        | 2021/06/16      | 32,964.60       | 36,410.00      | 75                          | 27,308.00  |                    |      |
| 43            |                       | Branch box                                       | Shared equipment | All types               | Sichuan Chuangli Electric Co., Ltd.           | Set            | 1        | 2021/06/01      | 58,737.17       | 68,350.00      | 75                          | 51,263.00  |                    |      |
| 44            |                       | Electric single beam bridge crane                | Shared equipment | LDA3T-16.5 MH9M         | Xinxiang Hoisting Equipment FACTORY Co., Ltd. | Set            | 1        | 2021/06/10      | 52,300.88       | 54,400.00      | 75                          | 40,800.00  |                    |      |
| 45            |                       | Electric single beam bridge crane                | Shared equipment | LDA5T-22.5 MH9M         | Xinxiang Hoisting Equipment FACTORY Co., Ltd. | Set            | 1        | 2021/06/10      | 74,070.80       | 77,000.00      | 75                          | 57,750.00  |                    |      |
| 46            |                       | Electric single beam bridge crane                | Shared equipment | LDA16T-22.5 MH9M        | Xinxiang Hoisting Equipment FACTORY Co., Ltd. | Set            | 1        | 2021/06/10      | 102,654.87      | 106,730.00     | 75                          | 80,048.00  |                    |      |

| Serial number | Property right holder | Name of equipment                                | Production line  | Specification and model | Manufacturer                                  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value  | Increment rate (%) | Note |
|---------------|-----------------------|--|------------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|------------|--------------------|------|
| 47            |                       | Electric single beam bridge crane                | Shared equipment | LDA20T-22.5 MH9M        | Xinxiang Hoisting Equipment FACTORY Co., Ltd. | Set            | 1        | 2021/06/10      | 151,504.42      | 157,560.00     | 75                          | 118,170.00 |                    |      |
| 48            |                       | Electronic truck scales and supporting equipment | Shared equipment | 80T 3*18M               | Chengdu Hanyu Electromechanical Co., Ltd.     | Set            | 1        | 2021/06/20      | 151,858.41      | 167,750.00     | 75                          | 125,813.00 |                    |      |
| 49            |                       | Forklift   | Shared equipment | A47                     | Sichuan Xuecheng Machinery Rental Co., Ltd.   | Set            | 1        | 2021/09/19      | 99,911.50       | 110,370.00     | 72                          | 79,466.00  |                    |      |
| 50            |                       | Hangzhou forklift                                | Shared equipment | CPCD35                  | Sichuan Xuecheng Machinery Rental Co., Ltd.   | Set            | 1        | 2021/09/30      | 99,911.51       | 110,370.00     | 75                          | 82,778.00  |                    |      |
| 51            |                       | Heli forklift                                    | Shared equipment | CPCD45                  | Sichuan Xingheng Trading Co., Ltd.            | Set            | 2        | 2022/06/20      | 117,168.00      | 127,640.00     | 81                          | 103,388.00 |                    |      |
| 52            |                       | Type C hook                                      | Shared equipment |                         | Henan Daheng Machinery Technology Co., Ltd.   | Set            | 1        | 2021/05/08      | 12,831.86       | 14,930.00      | 75                          | 11,198.00  |                    |      |
| 53            |                       | Type C hook                                      | Shared equipment | Type C                  | Henan Daheng Machinery Technology Co., Ltd.   | Set            | 1        | 2022/06/01      | 14,159.29       | 16,250.00      | 81                          | 13,163.00  |                    |      |
| 54            |                       | Air compressor                                   | Shared equipment |                         | Yan Longgang Trading Co., Ltd.                | Set            | 1        | 2021/07/08      | 32,964.60       | 36,410.00      | 75                          | 27,308.00  |                    |      |
| 55            |                       | Natural gas pipeline                             | Shared equipment |                         | Hebei Installation Engineering Co., Ltd.      | Set            | 1        | 2021/06/01      | 796,460.18      | 926,770.00     | 75                          | 695,078.00 |                    |      |

| Serial number | Property right holder | Name of equipment                       | Production line  | Specification and model | Manufacturer  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value  | Increment rate (%) | Note |
|---------------|-----------------------|---|------------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|------------|--------------------|------|
|               |                       |   |                  |                         |   |                |          |                 |                 |                |                             |            |                    |      |
| 56            |                       | Slag box                                | Shared equipment |                         | Ya'an City Mingshan District Jiashi machinery factory           | Set            | 4        | 2021/06/01      | 21,981.00       | 25,580.00      | 75                          | 19,185.00  |                    |      |
| 57            |                       | Slag box                                | Shared equipment |                         | Ya'an City Mingshan District Jiashi machinery factory           | Set            | 1        | 2021/09/30      | 19,500.00       | 22,690.00      | 76                          | 17,244.00  |                    |      |
| 58            |                       | Slag box                                | Shared equipment |                         | Chengde Xingong Industry Development Co., Ltd.                  | Set            | 9        | 2022/04/01      | 45,398.23       | 52,100.00      | 81                          | 42,201.00  |                    |      |
| 59            |                       | Hook scale                              | Shared equipment |                         | Guangyuan Zhendong Aluminum Co., Ltd.                           | Set            | 1        | 2021/07/02      | 2,531.20        | 2,800.00       | 75                          | 2,100.00   |                    |      |
| 60            |                       | Aluminum alloy blowing refining machine | Shared equipment |                         | Guangyuan Zhendong Aluminum Co., Ltd.                           | Set            | 1        | 2021/08/31      | 10,500.00       | 12,220.00      | 76                          | 9,287.00   |                    |      |
| 61            |                       | Air compressor                          | Shared equipment |                         | Guangyuan Zhendong Aluminum Co., Ltd.                           | Set            | 1        | 2021/08/31      | 4,760.00        | 5,260.00       | 76                          | 3,998.00   |                    |      |
| 62            |                       | Roller sleeve                           | Shared equipment |                         | Guangyuan Zhendong Aluminum Co., Ltd.                           | Set            | 2        | 2021/08/31      | 123,451.33      | 143,650.00     | 76                          | 109,174.00 |                    |      |
| 63            |                       | Refining tank                           | Shared equipment |                         | Foshan City Nanhai district Juxiang refractory sales department | Set            | 2        | 2021/08/31      | 4,800.00        | 5,580.00       | 76                          | 4,241.00   |                    |      |

| Serial number | Property right holder | Name of equipment                           | Production line  | Specification and model | Manufacturer   | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value  | Increment rate (%) | Note |
|---------------|-----------------------|---|------------------|-------------------------|--|----------------|----------|-----------------|-----------------|----------------|-----------------------------|------------|--------------------|------|
| 64            |                       | Air holder                                  | Shared equipment |                         | Yaan Longgang Trading Co., Ltd.  | Set            | 1        | 2021/10/31      | 2,300.88        | 2,680.00       | 76                          | 2,037.00   |                    |      |
| 65            |                       | Roll  | Shared equipment | 860*730*1650            | Zhangjiagang Free Trade ZONE Zhongtian Mechanical & Electrical Equipment Co., Ltd. | Set            | 1        | 2021/12/01      | 287,610.62      | 317,710.00     | 77                          | 244,637.00 |                    |      |
| 66            |                       | Aluminum water bucket                       | Shared equipment | 1120*1290*550           | Hunan Senxin Furnace Manufacturing Co., Ltd.                                       | Set            | 3        | 2022/04/01      | 39,823.01       | 43,380.00      | 81                          | 35,138.00  |                    |      |
| 67            |                       | 850 Casting and rolling machine bearing box | Shared equipment | 860/730*1650            | Zhangjiagang Free Trade ZONE Zhongtian Mechanical & Electrical Equipment Co., Ltd. | Set            | 2        | 2022/05/01      | 109,831.86      | 126,040.00     | 81                          | 102,092.00 |                    |      |
| 68            |                       | Excavator                                   | Shared equipment | SC210EV                 | Sichuan Zhongchuan Runze Machinery Equipment Co., Ltd.                             | Set            | 1        | 2022/04/25      | 606,194.69      | 660,400.00     | 81                          | 534,924.00 |                    |      |
| 69            |                       | Baler                                       | Shared equipment | 400                     | Foshan Nanhai District Keshang Hydraulic Machinery Factory                         | Set            | 1        | 2022/01/07      | 660,884.00      | 850,610.00     | 76                          | 646,464.00 |                    |      |

| Serial number | Property right holder | Name of equipment   | Production line  | Specification and model | Manufacturer  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value | Increment rate (%) | Note |
|---------------|-----------------------|---|------------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|-----------|--------------------|------|
|               |                       |   |                  |                         |   |                |          |                 |                 |                |                             |           |                    |      |
| 70            |                       | Water softening equipment   | Shared equipment | 107D                    | Chengdu Zhongyuan Environmental Protection Technology Co., Ltd. | Set            | 1        | 2022/01/11      | 10,619.47       | 12,190.00      | 80                          | 9,752.00  |                    |      |
| 71            |                       | Magnesium oxide crucible M-05   | Shared equipment |                         |   | Set            | 1        | 2021/07/01      | 1,281.63        | 1,490.00       | 75                          | 1,118.00  |                    |      |
| 72            |                       | Xinxiang high temperature resistant electronic scale                          | Shared equipment |                         | Guangyuan Zhendong Aluminum Co., Ltd.                           | Set            | 1        | 2021/07/01      | 4,900.00        | 5,410.00       | 75                          | 4,058.00  |                    |      |
| 73            |                       | Wireless digital transmission high temperature resistant electronic scale 10T | Shared equipment |                         |   | Set            | 1        | 2021/07/01      | 5,721.70        | 6,320.00       | 75                          | 4,740.00  |                    |      |
| 74            |                       | Electronic scale OCS-XZ-3T  | Shared equipment |                         |   | Set            | 1        | 2021/07/01      | 2,192.81        | 2,420.00       | 75                          | 1,815.00  |                    |      |
| 75            |                       | Wireless digital transmission high temperature resistant electronic scale 15T | Shared equipment |                         |   | Set            | 1        | 2021/07/01      | 6,656.74        | 7,350.00       | 75                          | 5,513.00  |                    |      |
| 76            |                       | Toledo electronic scale DCS-10Fr-XS   | Shared equipment | DCS-10Fr-XS             |   | Set            | 1        | 2021/07/01      | 42,477.88       | 46,920.00      | 75                          | 35,190.00 |                    |      |
| 77            |                       | Lathe C0630A  | Shared equipment |                         |   | Set            | 1        | 2021/07/01      | 16,814.16       | 18,570.00      | 75                          | 13,928.00 |                    |      |

| Serial number | Property right holder | Name of equipment                  | Production line                    | Specification and model | Manufacturer  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value  | Increment rate (%) | Note                                   |
|---------------|-----------------------|------------------------------------|------------------------------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|------------|--------------------|--|
| 78            |                       | Equipment foundation               | Shared equipment                   | 1#-6# Production line   | Guangyuan Xinmada Construction Service Co., Ltd.    | Set            | 1        | 2021/07/01      | 3,959,990.21    |                |                             |            |                    | The value is included in the equipment |
| 79            |                       | Elevator car                       | Shared equipment                   |                         |   | Set            | 1        | 2021/07/01      | 17,699.12       | 19,550.00      | 75                          | 14,663.00  |                    |  |
| 80            |                       | Low-voltage distribution equipment | Shared equipment                   |                         |   | Set            | 1        | 2021/06/01      | 0.00            |                |                             |            |                    | The value is divided between 81-87     |
| 81            |                       | Power protection tube              | Low-voltage distribution equipment | C-PVC-160               | Sichuan Qiming Electric Power Engineering Co., Ltd. | Meter          | 1338     | 2021/06/01      | 62,603.67       | 73,860.00      | 90                          | 66,474.00  |                    |  |
| 82            |                       | Pipe tie                           |                                    | Φ160                    | Sichuan Qiming Electric Power Engineering Co., Ltd. | Set            | 446      | 2021/06/01      | 2,291.74        | 2,210.00       | 90                          | 1,989.00   |                    |  |
| 83            |                       | Low voltage cable entry cabinet    |                                    | GGD/1AA1                | Sichuan Qiming Electric Power Engineering Co., Ltd. | Set            | 1        | 2021/06/01      | 181,098.17      | 210,730.00     | 90                          | 189,657.00 |                    |  |
| 84            |                       | Low voltage outlet cabinet         |                                    | GGD/1AA6                | Sichuan Qiming Electric Power Engineering Co., Ltd. | Set            | 1        | 2021/06/01      | 46,743.12       | 54,390.00      | 90                          | 48,951.00  |                    |  |
| 85            |                       | Low voltage capacitor cabinet      |                                    | GGJ/1AA2-1AA3/60kvar    | Sichuan Qiming Electric Power Engineering Co., Ltd. | Set            | 4        | 2021/06/01      | 210,381.65      | 244,800.00     | 90                          | 220,320.00 |                    |  |

| Serial number | Property right holder | Name of equipment                       | Production line  | Specification and model | Manufacturer  | Measuring unit | Quantity | Production date | Carrying amount | Original value | Valuation Residue ratio (%) | Net value     | Increment rate (%) | Note |
|---------------|-----------------------|---|------------------|-------------------------|---|----------------|----------|-----------------|-----------------|----------------|-----------------------------|---------------|--------------------|------|
| 86            |                       | Low voltage outlet cabinet              |                  | GGD/1AA7                | Sichuan Qiming Electric Power Engineering Co., Ltd. | Set            | 1        | 2021/06/01      | 45,358.72       | 52,780.00      | 90                          | 47,502.00     |                    |      |
| 87            |                       | Low voltage outlet cabinet              |                  | GGD/1AA8                | Sichuan Qiming Electric Power Engineering Co., Ltd. | Set            | 1        | 2021/06/01      | 48,160.55       | 56,040.00      | 90                          | 50,436.00     |                    |      |
| 88            |                       | 35kvHigh-voltage distribution equipment | Shared equipment |                         |   | Set            | 1        | 2021/06/01      | 1,117,810.00    | 1,092,750.00   | 90                          | 983,475.00    |                    |      |
| Total         |                       |   |                  |                         |   |                |          |                 | 30,768,799.92   | 30,934,710.00  | /                           | 21,758,944.00 |                    |      |

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors' and chief executives' interests and short position in shares, underlying shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions in the Shares, underlying Shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) held by the Directors and chief executive of the Company which have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or which would be required to be entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have to be notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules ("Model Code") are as follows:

#### *Long positions in the Shares*

| Name of<br>Director/chief<br>executive | Capacity   | Number of<br>Shares | Approximate<br>percentage of<br>interest |
|--|--|---------------------|--|
| Mr. Dang Fei                           | Interest in controlled<br>corporation ( <i>Note 1</i> )        | 351,280,000         | 38.18%                                   |
|  | Interest held jointly with<br>another person ( <i>Note 2</i> ) |                     |  |
| Mr. Wang<br>Xiaozhong                  | Interest in controlled<br>corporation ( <i>Note 3</i> )        | 99,760,000          | 10.84%                                   |

| Name of Director/chief executive | Capacity   | Number of Shares | Approximate percentage of interest |
|----------------------------------|--|------------------|------------------------------------|
| Ms. Luo Xi                       | Interest in controlled corporation ( <i>Note 4</i> ) | 8,510,000        | 0.93%                              |

*Notes:*

1. The Shares were held by Red Fly Investment Limited (“**Red Fly**”). Red Fly is owned as to 80.79% by Mr. Dang Fei and 19.21% by Mr. Dang Jun. By virtue of SFO, Mr. Dang Fei is deemed to be interested in the same number of Shares held by Red Fly.
2. Mr. Dang Fei and Mr. Dang Jun are parties acting in concert pursuant to an acting in concert agreement dated 4 July 2019. As such, Mr. Dang Fei and Mr. Dang Jun together control 38.18% of the issued share capital of the Company.
3. The Shares were held by Xseven Investment Limited (“**Xseven Investment**”). Xseven Investment is owned as to 100% by Mr. Wang Xiaozhong. Under the SFO, Mr. Wang Xiaozhong is deemed to be interested in the same number of Shares held by Xseven Investment.
4. The Shares were held by Lockxy Investment Limited (“**Lockxy Investment**”). Lockxy Investment is owned as to 68% by Ms. Luo Xi. By virtue of SFO, Ms. Luo Xi is deemed to be interested in the same number of Shares held by Lockxy Investment.

Save as disclosed above and so far as known to the Directors, as at 30 June 2023, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO) or which would be required, pursuant to Section 352 of the SFO and the Model Code, to be entered in the register referred to therein, or which would be required pursuant to Rule 5.46 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

**(b) Substantial shareholders' and other persons' interests and short positions in shares and underlying shares of the Company**

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fell to be disclosed to the Company and the Stock Exchange under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

| <b>Name of Director/chief executive</b> | <b>Capacity</b>   | <b>Number of Shares interested (Long position)</b> | <b>Approximate percentage of interest</b> |
|---|---|--|---|
| Red Fly                                 | Beneficial owner ( <i>Note 1</i> )                          | 351,280,000  | 38.18%                                    |
| Mr. Dang Jun                            | Interest held jointly with another person ( <i>Note 2</i> ) | 351,280,000  | 38.18%                                    |
| Ms. Li Li                               | Interest of spouse ( <i>Note 3</i> )                        | 351,280,000  | 38.18%                                    |
| Mr. Fu Chuanrong                        | Beneficial owner  | 120,630,000  | 13.10%                                    |
| Xseven Investment                       | Beneficial owner ( <i>Note 4</i> )                          | 99,760,000   | 10.84%                                    |
| Ms. Gao Hong                            | Interest of spouse ( <i>Note 5</i> )                        | 99,760,000   | 10.84%                                    |

*Notes:*

1. The Shares were held by Red Fly. Red Fly is owned as to 80.79% by Mr. Dang Fei and 19.21% by Mr. Dang Jun.
2. Mr. Dang Fei and Mr. Dang Jun are parties acting in concert pursuant to an acting in concert agreement dated 4 July 2019. As such, Mr. Dang Fei and Mr. Dang Jun together control 38.18% of the issued share capital of the Company.
3. Ms. Li Li is the spouse of Mr. Dang Jun. Under the SFO, Ms. Li Li is deemed to be interested in the same number of Shares held by Mr. Dang Jun.

4. The Shares were held by Xseven Investment. Xseven Investment is owned as to 100% by Mr. Wang Xiaozhong.
5. Ms. Gao Hong is the spouse of Mr. Wang Xiaozhong. Under the SFO, Ms. Gao Hong is deemed to be interested in the same number of Shares owned by Mr. Wang Xiaozhong.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any parties (not being a Director or the chief executive of the Company) who had interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

### **3. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service agreement with any members of the Group, excluding contracts expiring or determinable by the Group within one year without payment of any compensation, other than statutory compensation.

### **4. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS OF SIGNIFICANCE**

As at the Latest Practicable Date, none of the Directors or proposed Directors, directly or indirectly, had any interest in any assets which had since 31 December 2022 (being the date to which the latest published audited financial statements of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement subsisting as at the Latest Practicable Date, in which any of the Directors were materially interested and which was significant to the business of the Group.

### **5. DIRECTORS' COMPETING BUSINESS**

As at the Latest Practicable Date, the Directors are not aware of any business or interest of the Directors, the controlling shareholder(s) of the Company and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflict of interest which any such person has or may have with the Group.

## 6. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any other litigation or claims of material importance known to the Directors to be pending or threatened against the Group.

## 7. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within the two years preceding the issue of this circular and are or may be material:—

- (a) the Agreement; and
- (b) the equity transfer agreement dated 7 July 2023 entered into between Mr. Qin Chunlin (卿春麟), as vendor, and Saftower Business Management (Guangyuan) Co. Ltd\* (蜀塔企業管理(廣元)有限公司), a wholly-owned subsidiary of the Company, as purchaser, regarding the acquisition of 30% of the equity interest held by the vendor in Yaan Baosheng.

## 8. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this circular or has given its opinion or advice which is contained in this circular:

| Name   | Qualification                   |
|--|---------------------------------|
| Sichuan Tianyi Real Estate Land Asset Valuation Co., Ltd.* (四川天一房地產土地資產評估有限公司) | Independent professional valuer |

As at the Latest Practicable Date, the above expert did not have:

- (a) any direct or indirect interest in any assets which have been, since 31 December 2022 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares, convertible securities, warrants, options or derivatives which carry voting rights in any member of the Group.

The above expert has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its Asset Valuation Report and the reference to its name in the form and context in which it appears.

## 9. AUDIT COMMITTEE

The Company has established an audit committee (the “**Audit Committee**”) and the current members of the Audit Committee are Dr. Zuo Xinzhang, Mr. Chan Oi Fat and Ms. Hu Xiaomin. The primary duties of the Audit Committee are, among others, to make recommendation to our Board on the appointment, reappointment and removal of external auditor, monitor integrity of our financial statements, review significant financial reporting judgements contained in them, oversee our financial reporting, internal control, risk management systems and audit process and perform other duties and responsibilities assigned by the Board. The biography of the members of the Audit Committee are set out below:

- (i) Dr. Zuo Xinzhang, aged 40, was appointed as our independent non-executive Director on 10 June 2020. He is a member of the Audit Committee, remuneration committee and nomination committee of the Company. Dr. Zuo has over 14 years of experience in materials science. From July 2005 to May 2007, he worked as a technician at China Petroleum Seventh Construction Corporation\* (中國石油天然氣第七建設有限公司). Dr. Zuo then joined Xi’an Xinyao Ceramic Composite Materials Company Limited\* (西安鑫堯陶瓷複合材料有限公司) and worked as the project manager from July 2015 to November 2017, where he completed his postdoctoral research at Northwestern Polytechnical University (西北工業大學) in aerospace science and technology (航空宇航科學與技術) and obtained his postdoctoral certificate in April 2018. Dr. Zuo obtained a bachelor degree in metal material engineering from China University of Petroleum (中國石油大學) in June 2005, a master degree and a PhD degree in material science from Northwestern Polytechnical University (西北工業大學) in April 2010 and June 2015, respectively. Dr. Zuo obtained the qualification of engineer from Xi’an Municipal Human Resources and Social Security Bureau (西安市人力資源和社會保障局) in June 2015. He further obtained the qualification of senior engineer from Department of Human Resources and Social Security of Shaanxi Province (陝西省人力資源和社會保障廳) in November 2017.
- (ii) Mr. Chan Oi Fat, aged 45, was appointed as our independent non-executive Director on 10 June 2020. He is the chairperson of the Audit Committee and a member of the remuneration committee and nomination committee of the Company. Mr. Chan has extensive experience in professional accounting, auditing and corporate financial services. Mr. Chan joined Deloitte Touche Tohmatsu in September 2000 and left as a manager in January 2008. Mr. Chan joined Ta Yang Group Holdings Limited, a company

listed on the Stock Exchange (stock code: 1991), which is an investment holding company principally engaged in manufacturing input device, in January 2008 as company secretary and qualified accountant and resigned as company secretary in February 2017 but remained as the group's financial controller until March 2018. Since February 2018, Mr. Chan has been the company secretary of China Leon Inspection Holding Limited, a company listed on the Stock Exchange (stock code: 1586), which is an investment holding company principally engaged in providing inspection services of coal in the PRC. In April 2018, Mr. Chan joined SML (Hong Kong) Limited, which is a garment accessories manufacturer and seller and he was promoted to the post of chief financial officer since February 2019. Since January 2021, Mr. Chan has been the company secretary of Raily Aesthetic Medicine International Holdings Limited, a company listed on the Stock Exchange (Stock Code: 2135), which is a company principally engaged in providing esthetic medical service in Zhejiang Province, the PRC. Mr. Chan has been an independent non-executive director of Shanghai Prime Machinery Company Limited, a company listed on the Stock Exchange (stock code: 2345), which is principally engaged in the design, manufacture and sale of fasteners, from June 2014 to January 2021. Mr. Chan graduated from the City University of Hong Kong in November 2000 with a degree of Bachelor of Business Administration (Hons) in Accountancy. He has become a member of the Hong Kong Institute of Certified Public Accountants since October 2004 and a member of the Association of Certified Chartered Accountants since December 2003. He has also become a life member of the Hong Kong Independent Non-Executive Director Association since March 2015.

- (iii) Ms. Hu Xiaomin, aged 41, was appointed as our independent non-executive Director on 10 June 2020. She is the chairperson of remuneration committee of the Company and a member of the Audit Committee and nomination committee of the Company. Ms. Hu has over 10 years of experience in business administration and financing. She served as investor relations officer for Honghua Group Limited, a company listed on the Stock Exchange (stock code: 196), from December 2009 to July 2011 and as the secretary of board of directors and manager of strategic development in Sichuan Zhongsheng Industry Group Company Limited\* (四川中勝實業集團有限公司) from July 2011 to July 2013. She then joined Chengdu Branch of Sichuan Shuangma Cement Company Limited\* (四川雙馬水泥股份有限公司成都分公司), which is listed on the Shenzhen Stock Exchange (stock code: 000935), as treasury manager from July 2013 to April 2016. She then worked as senior fund manager at Sichuan Health Care Industry Equity Investment Fund Partnership (Limited Partnership)\* (四川省健康養老產業股權投資基金合夥企業) from April 2016 to July 2017. In September 2017, Ms. Hu co-founded Chengdu Fin-wisely Consulting Company Limited\* (成都方思維力企業管理有限公司) engaging in corporate advisory with an Independent Third Party and worked as the general manager of the company from then to July 2018. Since July 2018, Ms. Hu has

been one of the shareholders of a company engaging in fund management, namely Chengdu Jingying Zhiyuan Venture Capital Management Company Limited\* (成都菁英致遠創業投資管理有限公司) and served as the general manager. Ms. Hu obtained a bachelor degree in Business Administration from Sichuan University (四川大學) in July 2005, a master degree of Business Administration and a master degree in professional accountancy from The University of South Dakota in August 2006 and May 2008, respectively. Ms. Hu has achieved various qualifications. She is a Chartered Financial Analyst Charter holder and she passed the exams held by Shanghai Stock Exchange to act as secretary of board of directors.

#### 10. GENERAL

- (a) The registered office of the Company is 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.
- (b) The principal place of business in Hong Kong of the Company is Suite 913, 9/F, Chinachem Golden Plaza, No. 77 Mody Road, Tsim Sha Tsui, Kowloon, Hong Kong.
- (c) The company secretary of the Company is Mr. Woo Yuen Ping, a practising member of Hong Kong Institute of Certified Public Accountants.
- (d) The compliance officer of the Company is Mr. Wang Xiaozhong.
- (e) The branch share registrar and transfer office in Hong Kong of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (f) Unless otherwise specified, the English text of this circular shall prevail over the Chinese text in case of inconsistency.

#### 11. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the respective websites of the Company ([www.saftower.cn](http://www.saftower.cn)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) for a period of fourteen (14) days from the date of this circular:

- (a) the Asset Valuation Report prepared by the independent professional valuer as set out in Appendix II to this circular;

- (b) the material contracts referred to under the paragraph “Material Contracts” in this appendix; and
- (c) the written consent referred to in the paragraph headed “Expert and Consent” in this appendix.