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Wanguo Gold Group Limited

萬國黃金集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3939)

CONNECTED TRANSACTIONS PROCESSING TECHNICAL SERVICE AND EXPANSION FEASIBILITY STUDY CONTRACTS

(1) ENTERING INTO PROCESSING TECHNICAL SERVICE CONTRACT

On 31 October 2024, Gold Ridge Mining Limited (“**GRML**”), an indirect non-wholly owned subsidiary of Wanguo Gold Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”), which owns the Gold Ridge Mine in Solomon Islands, entered into a contract of processing technical service for Gold Ridge Mine, Solomon Islands (“**Technical Service Contract**”) with Xiamen Zijin Mining & Metallurgy Technology Co., Ltd (廈門紫金礦冶技術有限公司) (“**Zijin MMT**”).

Pursuant to the Technical Service Contract, Zijin MMT shall provide the following technical services to GRML:

- evaluate the recovery of fine-grained gold by flotation columns or Knelson concentrators;
- assist in promoting the technical transformation and production commissioning of processing upgrades, and ensure full capacity of the flotation facility;
- help to train laboratory testers, field technicians and the establishment of a standardized system for the operation of production host positions;
- help the existing concentrator indicators to reach the standard as soon as possible, and accumulate technical experience for the production of subsequent new concentrators;
- submit process materials such as periodic summary or evaluation briefing or training PPT of various work contents, as well as the final PDF version of the project research

report; and

- assist in completing the technical transformation and process optimization of production-related equipment.

The contract period commenced from 1 November 2024 to 31 October 2025 and is subject to the progress of the work and valid within one year. The contract sum is RMB1.69 million and shall be payable by GRML to Zijin MMT in instalments.

The contract sum has been and will continue to be settled by internal resources available to the Group, and shall be payable as follows:

- 30% payable upon signing and submission of technical work plan;
- 30% payable upon completion of all work required under the Technical Service Contract;
- 20% payable upon metal recovery rate stably achieving 80% to 85% for 1-2 months, confirmed by both parties through consultation; and
- remaining 20% payable upon metal recovery rate stably achieving 85% or above for 1-2 months, confirmed by both parties through consultation.

In the event that GRML does not settle the contract sum pursuant to the terms of the Technical Service Contract, or Zijin MMT fails to deliver the works required in accordance with the terms of the Technical Service Contract, both parties agreed that the liabilities shall be determined by way of consultation, including the calculation of amount of damages.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zijin MMT is an entity controlled by Zijin Mining Group Co., Ltd. (紫金礦業集團股份有限公司), a company incorporated in the People's Republic of China ("**PRC**"), the shares of which are listed on the Shanghai Stock Exchange (stock code: 601899) and The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") (stock code: 2899) ("**Zijin Mining**"). Zijin Mining effective holds 17.57% interest in the Company, which is a substantial shareholder of the Company. Zijin MMT is therefore a connected person of the Company. As such, the entering into of the Technical Service Contract constitutes a connected transaction under Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**").

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Technical Service Contract on a standalone basis was less than 5% and the total consideration was less than HK\$3,000,000, the Technical Service Contract constituted a de minimis transaction under Rule 14A.76(1)(c) and was fully exempt from disclosure and reporting requirements under the Listing Rules.

(2) ENTERING INTO EXPANSION FEASIBILITY STUDY CONTRACT

On 1 May 2025, GRML entered into a contract of a new 10 million tonnes per annum (“tpa”) Expansion Feasibility Study for the Gold Ridge Mine (“**Expansion Feasibility Study Contract**”) with Zijin (Xiamen) Engineering Design Co. Ltd (紫金(廈門)工程設計有限公司) (“**Zijin Engineering**”), under which, Zijin Engineering shall assist GRML in designing the main production facilities, such as, mining and processing engineering, tailing ponds, low grade ore crushing, heap leach pads, absorptions etc., and relevant water supply, power supply, plant roads, laboratory and living auxiliary facilities, etc., for the purpose of achieving production capacity of 13 million tpa, with products output of gold dore (80% Au grade) and gold concentrate under floatation (25g/t Au grade).

The estimated contract period will end by 31 December 2026, upon submission of the construction plan by Zijin Engineering to GRML. The total contract sum is USD2.89 million (equivalent to approximately RMB20.8 million) and shall be payable by GRML to Zijin Engineering pursuant to the payment schedule according to the Expansion Feasibility Study Contract. The contract sum will be settled by internal resources available to the Group and payable as follows:

- USD140,000 payable upon execution and receiving project information;
- USD70,000 payable upon submission of pre-feasibility study report and acceptance by GRML;
- USD680,000 payable upon submission of the preliminary design and acceptance by GRML;
- USD300,000 payable upon submission of the construction drawings of the mining project (including public and auxiliary facilities) and acceptance by GRML;
- USD300,000 payable upon submission of the construction drawings of the rough crushing plant and the intermediate ore pile (including public and auxiliary facilities) of the mining project, and completion of inspection and acceptance by GRML;
- USD300,000 payable upon submission of the construction drawings for the crushing and screening, adsorption, and yard (including utilities) of the heap leach plant, and completion of inspection and acceptance by GRML;
- USD400,000 payable upon submission of the construction drawings of the ore processing plant, flotation plant, dewatering plant, pharmaceutical preparation, pharmaceutical warehouse, blower room and other ore dressing projects (including public and auxiliary facilities) and completion of inspection and acceptance by GRML;
- USD400,000 payable upon submission of the construction drawings of the auxiliary facilities, tailings transfer and return pump house, tailings storage project (including public and auxiliary facilities) and completion of inspection and acceptance by GRML ;
- Remaining USD300,000 as a guarantee deposit, payable upon completion of all design elements and services. In case of default by Zijin Engineering, it will be deducted as the liquidated damages.

Default

GRML

In the event that GRML does not settle any part of the contract sum in accordance with the terms of the Expansion Feasibility Study Contract, GRML shall pay an overdue penalty equivalent to 0.1% of the overdue amount for each day of late payment, subject to the limit that the accumulated sum of late penalty paid shall not exceed 10% of the contract sum.

Zijin Engineering

In the event that Zijin Engineering decides to terminate the Expansion Feasibility Study Contract due to its own reasons, 10% of the contract sum shall be payable by Zijin Engineering as damages.

In the event that Zijin Engineering fails to deliver the design information and design documents in accordance with the Expansion Feasibility Study Contract due to own reasons, the total contract sum shall be reduced by 0.1% for each day of late delivery, subject to the limit of 10% of the total contract sum.

BASIS OF DETERMINATION OF CONSIDERATION OF THE TECHNICAL SERVICE CONTRACT AND THE EXPANSION FEASIBILITY STUDY CONTRACT

Each of the contract sums of the Technical Service Contract and the Expansion Feasibility Study Contract was determined on the basis of commercial terms negotiated at arm's length between the Company and the counterparties having considered (i) the estimated time costs of professional and technical experts involved in the relevant projects; (ii) the expected outcome to the Group's production capacity; (iii) the leading technical skills in mining industry in Zijin Mining; and (iv) the quotations offered by two other engineering design firms for rendering similar services.

INFORMATION ABOUT THE PARTIES

The Group

The Company is incorporated in the Cayman Islands with limited liability, whose shares are listed on the main board of the Stock Exchange (stock code: 3939) and is an investment holding company whose subsidiaries are principally engaged in the business of mining, ore processing and sale of concentrates products in the PRC and the Solomon Islands.

GRML

GRML is a company incorporated in the Solomon Islands and an indirect non-wholly owned subsidiary of the Company. It is engaged in exploration, mining and processing of mineral resources, and sales of processed gold concentrates and gold doré in the Solomon Islands.

Zijin MMT and Zijin Engineering

Zijin MMT is a company incorporated in the PRC and is principally engaged in engineering and technology research and experimental development, other quality inspection technology services and manufacturing of environmental protection special equipment etc.

Zijin Engineering is a company incorporated in the PRC and is principally engaged in construction engineering, survey and design, investment consultancy (except as otherwise provided by laws and regulations) and engineering management services etc.

Both Zijin MMT and Zijin Engineering are entities controlled by Zijin Mining. As of the date of this announcement, Zijin Mining effective holds 17.57% interest in the Company, which is a substantial shareholder of the Company.

LISTING RULES IMPLICATIONS

Pursuant to Rules 14A.81 and 14A.82 of the Listing Rules, as the transactions contemplated under the Technical Service Contract and the Expansion Feasibility Study Contract were entered into or completed within a 12-month period with the entities controlled by Zijin Mining, a substantial shareholder of the Company, the transactions contemplated thereunder are required to be aggregated for the calculation of the relevant percentage ratios to determine the classification of the transactions.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Technical Service Contract and the Expansion Feasibility Study Contract in aggregate exceed 0.1% but are below 5%, the Expansion Feasibility Study Contract constitutes a connected transaction which is subject to the reporting and announcement requirement but is exempt from the circular (including independent financial advice) and shareholders' approval requirements under the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TECHNICAL SERVICE CONTRACT AND THE EXPANSION FEASIBILITY STUDY CONTRACT

As disclosed in the 2024 annual report, the operation of gold mine has already contributed more than 50% of the Group's revenue and profits for the year ended 31 December 2024. In view of current blooming gold price, it is in the best interest for the Group to exploit it in due course. As such, the board of directors of the Company ("**Board**") (including the independent non-executive directors of the Company) is of the view that the terms of the Technical Service Contract and the Expansion Feasibility Study Contract are fair and reasonable, and are on normal commercial terms, and the Technical Service Contract and the Expansion Feasibility Study Contract are in the interests of the Company and the shareholders of the Company as a whole.

Mr. Wang Guobiao, an executive director of the Company, is nominated by Gold Mountains (H.K.) International Mining Company Limited (金山(香港)國際礦業有限公司) (the "**Subscriber**"), a company incorporated in Hong Kong and a wholly-owned subsidiary of Zijin Mining, pursuant to the terms of the subscription agreement dated 22 September 2024 entered into between the Company and the Subscriber. Accordingly, Mr. Wang Guobiao abstained from voting on the resolutions approving the transactions contemplated under the Technical Service Contract and Expansion Feasibility Study Contract.

Save as disclosed above, to the best of the directors' knowledge, information and belief, having made all reasonable enquiries, no director of the Company is regarded as having a material interest in each of the Technical Service Contract and the Expansion Feasibility Study Contract and hence no director of the Company is required to abstain from voting on the resolutions approving the respective contracts at the meeting of the Board under the Listing Rules.

For the purpose of this announcement, unless otherwise specified, the conversion of USD into RMB is based on the approximate exchange rate from USD1.00 to RMB 7.2014. The exchange rate is adopted for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be, exchanged at this rate or any other rate at all.

By Order of the Board
Wanguo Gold Group Limited
Gao Mingqing
Chairman

Hong Kong, 1 May 2025

As at the date of this announcement, the Board comprises Mr. Gao Mingqing (Chairman), Ms. Gao Jinzhu, Mr. Liu Zhichun and Mr. Wang Guobiao as executive directors; Mr. Wang Renxiang as non-executive director; and Mr. Tsang Wai Hung, Mr. Wong Chi Ming Ming and Mr. Wang Xin as independent non-executive directors.