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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 a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Tongguan Gold Group Limited**, you should at once hand this circular, together with the enclosed form of proxy, 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(s) or transferee(s).

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**This circular is for information purposes only and is being provided to you solely for the purposes of considering the resolutions to be voted upon at the SGM to be held on Friday, 31 October 2025. This circular does not constitute an offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for securities referred to in this circular.**

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### 潼關黃金集團有限公司 Tongguan Gold Group Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00340)**

#### **(I) DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 100% SHARE CAPITAL IN TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE AND (II) NOTICE OF SPECIAL GENERAL MEETING**

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Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A notice convening the SGM of Tongguan Gold Group Limited to be held at Room 2707A, 27/F., Office Tower of Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 31 October 2025, at 10:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular.

Whether or not you are able to attend the SGM, please complete the accompanying form of proxy in accordance with the instructions printed on the form and return it to the office of the branch share registrar of the Company, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the SGM or any adjournment of that meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment of that meeting should you so wish.

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## CONTENTS

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	<i>Page</i>
<b>DEFINITIONS . . . . .</b>	<b>1</b>
<b>LETTER FROM THE BOARD . . . . .</b>	<b>5</b>
<b>APPENDIX I – VALUATION REPORT . . . . .</b>	<b>20</b>
<b>NOTICE OF SPECIAL GENERAL MEETING . . . . .</b>	<b>SGM-1</b>

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## DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Share by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Announcement”	the announcement of the Company dated 7 March 2025 in relation to, among other matters, the Acquisition
“Board”	the board of Directors of the Company
“Business Day(s)”	any day (except a Saturday, Sunday and public holiday) on which banks in Hong Kong are open to the general public for business
“BVI”	the British Virgin Islands
“Company”	Tongguan Gold Group Limited (潼關黃金集團有限公司), a limited company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Acquisition contemplated under the Sale and Purchase Agreement
“Completion Date”	on or before the fifth Business Day following the date on which the last conditions precedent set out in the Sale and Purchase Agreement has been fulfilled (or otherwise waived) or such other date as the parties may agree in writing
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration in respect of the Acquisition
“Consideration Shares”	800,000,000 new Shares to be allotted and issued on the Completion Date to the Vendor at the Issue Price of HK\$0.5 per Share as consideration for the Acquisition
“Cooperation Agreement”	the mining and exploration cooperation agreement entered into between Northeast Mining and the Project Company on 20 June 2023 in relation to, among others, providing the funding for the exploration of the Gold Mines under Exploration Licences
“Director(s)”	the director(s) of the Company
“Exploration Licences”	the licences authorizing Northeast Mining to conduct exploration activities at the Gold Mines

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## DEFINITIONS

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“Gold Mines”	the beidong gold mine* (北東金礦) and the 460 gold mine* (460金礦) located in the Subei County, Gansu Province of the PRC
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Issue Price”	the issue price of HK\$0.5 per Consideration Share
“km <sup>2</sup> ”	square kilometer
“Latest Practicable Date”	8 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange
“Lock-Up Period”	from the date the Consideration Shares are being issued to the Vendor, up to and including the date 18 months from the Completion Date
“Longstop Date”	12 months from the date of the Sale and Purchase Agreement or any other date which may be agreed by the Vendor and the Purchaser in writing
“Mr. Ma”	Mr. Ma Hao (馬浩)
“Northeast Mining”	Subei County Holezadegai Northeast Mining Co., Ltd.* (肅北縣霍勒扎德蓋北東礦業有限責任公司), a company incorporated in 14 March 2007 with limited liability and an indirectly wholly-owned subsidiary of the Company
“PRC” or “China”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

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## DEFINITIONS

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“Project Company”	Subei Mongolian Autonomous County Yixin Mining Development Co., Ltd.* (肅北蒙古族自治縣億鑫礦業開發有限公司), a company established in the PRC with limited liability and an indirectly wholly owned subsidiary of the Target Company
“Purchaser”	Grand Gallant Investments Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Purchaser and the Vendor on 7 March 2025 in relation to the Acquisition (as amended and supplemented by the Supplemental Agreement)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	one share of the Target Company, representing 100% of the total issued share capital in the Target Company as at the date of this circular and at Completion
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Specific Mandate
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the SGM and to be granted to the Board for the allotment and issue of the Consideration Shares
“SRK”	SRK Consulting (Hong Kong) Limited, an independent mining and geological consultant
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement to the Sale and Purchase Agreement entered into between the Purchaser and the Vendor on 7 October 2025 in relation to the Acquisition on the Lock-Up Period arrangement
“Target Company”	Wise Trend Investment Limited, an investment holding company incorporated in Republic of Seychelles with limited liability

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## DEFINITIONS

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“Target Group”	the Target Company and its subsidiaries from time to time, including without limitation, the Project Company
“USD”	United State Dollars, the lawful currency of the United States of America
“Valuation Date”	means 28 July 2025
“Valuation Report”	the valuation report dated 15 August 2025 on the fair value of 100% equity interest of the Target Group as at the Valuation Date prepared by the Valuer
“Valuer”	Masterpiece Valuation Advisory Limited
“Vendor”	Jumbo China Holding Limited (浩華控股有限公司), a company incorporated in Republic of Seychelles with limited liability which is wholly-owned as to by Mr. Ma Hao (馬浩)
“%”	per cent

*For the purpose of this circular, unless otherwise indicated, the exchange rate of USD1: RMB7.13 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such a rate or at any other rates.*

*\* Unofficial English translation denotes for identification purposes only*

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## LETTER FROM THE BOARD

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# 潼關黃金集團有限公司 Tongguan Gold Group Limited

*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 00340)**

*Executive Directors:*

Mr. JIANG Zhiyong (*Chairman*)  
Mr. SHI Xingzhi  
Mr. SHI Shengli  
Mr. YEUNG Kwok Kuen  
*(Chief Financial Officer)*  
Ms. FENG Fangqing

*Independent Non-executive Directors:*

Mr. CHU Kang Nam  
Mr. LIANG Xushu  
Mr. LEUNG Ka Wo

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Headquarters, head office and principal  
place of business in Hong Kong:*

Room 2707A, 27/F  
Office Tower of Convention Plaza  
1 Harbour Road  
Wanchai  
Hong Kong

10 October 2025

*To the Shareholders,*

Dear Sir or Madam,

**(I) DISCLOSEABLE TRANSACTION IN RELATION TO THE  
ACQUISITION OF 100% SHARE CAPITAL IN TARGET COMPANY  
INVOLVING ISSUE OF CONSIDERATION SHARES  
UNDER SPECIFIC MANDATE  
AND  
(II) NOTICE OF SPECIAL GENERAL MEETING**

### INTRODUCTION

Reference is made to the Announcement of the Company dated 7 March 2025 in relation to, among other matters, the Acquisition. The condition precedents of the receipt of a valuation report and a technical report are now satisfied. According to the mineral resource estimation report (“**Mineral Resource Estimation Report**”) by SRK, the Gold Mines have approximately 26 tonnes of contained metal, following the Completion, the Group’s reference contained metal resource of the gold mines is expected to increase from 55 tonnes to 81 tonnes, as shown in the table below:

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## LETTER FROM THE BOARD

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Indicated and inferred mineral resource	Inventory (kt)	Grade (g/t Au)	Contained Metal (t)
Mines in Tongguan County ( <i>Note 1</i> )	4,711.8	7.46	35.2
Mines in Subei County ( <i>Note 1</i> )	1,935.0	10.21	19.8
Sub-total	6,646.8	8.26	55.0
Gold Mines under the Acquisition	5,809.7	4.48	26.0
Total	12,456.5	6.50	81.0

*Note 1:* The above resource data has been extracted from the 2024 annual report, as of 31 December 2024.

According to the Mineral Resource Estimation Report prepared by SRK, the Gold Mines have approximately 5,809,700 tonnes of mineral resources, with approximately 26 tonnes of contained metal, and an average grade of approximately 4.48 grams per tonne gold (g/t Au). Approximately 4,042,400 tonnes of mineral resources and approximately 18.34 tonnes of contained metal are indicated resources, representing over 70% of the total estimated mineral resources. Approximately 20.4 tonnes of contained metal have a grade of over 4 g/t Au, representing approximately 78% of the total estimated mineral resources. According to PRC's "Classification Standard of Mineral Resource Reserve Scale" and "Classification Standard for the Production and Construction Scale of Metallic and Non-metallic Mines", this Gold Mines qualifies as a large-scale gold mine in terms of both its resource and production capacity. Some major ore bodies such as A104, A105, D348-5-1 and D348-5-2 contain high grade gold veins with a gold content ranging from 10 to 22 g/t Au, providing Northeast Mining with a sustainable resource base for future high-grade gold production. Following the Completion, the Group estimates that the resource volume of Northeast Mining will be sufficient to support a total mine life of approximately 15 years.

The Gold Mines are located within the Subei mining area, with the furthest vein situated approximately 11 kilometers away from the existing processing facilities. Mining license is expected to be available by second half of 2026. The technical development project of Northeast Mining's production line is expected to be completed at the end of 2025 and the production capacity will be increased to approximately 2,000 tonnes per day. As such no new processing plant and other infrastructure will be required for the Gold Mines production, it will significantly reduce upfront capital expenditure. This will accelerate the project to generate cash flow for the Group while improving overall economic performance.

The Gold Mines' all-in sustaining cost ("AISC") is expected to be lower than current Northeast Mining's production, which is estimated at around RMB330 to RMB360 per gram. This is equivalent to around USD1,440 to USD1,570 per ounce, which is lower than most of the worldwide gold mines.



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## LETTER FROM THE BOARD

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The Gold Mines covers a total area of 35.5 km<sup>2</sup>, where 128 mineralized structures have been identified. Exploration activities are currently underway on 48 of these ore bodies. Most of the identified ore bodies remain open along both strike and dip directions, indicating strong potential for further extension in three-dimensional space. Following the acquisition of the Exploration Licences, the Group will prioritize exploration along these extension corridors. Starting in the third quarter of 2025, the Group plans to launch a three-year exploration initiative, deploying total of 160,000 meters of drilling and 35,000 meters of trenching. This program is designed to target deeper mineralized zones and peripheral areas for resource expansion. Currently, the defined domain groups occupy only 12 km<sup>2</sup>, representing around 33.8% of the total Exploration Licences' area. This leaves substantial untapped ground with high prospectivity. As exploration efforts continue, the overall resource potential is expected to increase substantially.

Following the completion, the Company's has set the following targets for gold production for the next three years:

	2024 (Actual)	2025 (Forecast)	2026 (Forecast)	2027 (Forecast)
<b>Gold production</b>				
Subei mining area	2.0 tonnes	2.0~2.2 tonnes	2.2~2.4 tonnes	2.4~2.8 tonnes
Tongguan mining area	<u>0.5 tonne</u>	<u>0.6~0.7 tonne</u>	<u>1.1~1.3 tonnes</u>	<u>1.4~1.6 tonnes</u>
Total production	2.5 tonnes	2.6~2.9 tonnes	3.3~3.7 tonnes	3.8~4.4 tonnes

The gold production targets outlined herein are formulated based on the Group's future strategic development needs. These targets involve forward-looking statements regarding future planning and development goals, and do not constitute profit forecasts or substantive commitments to investors. The realization of these targets is subject to various uncertainties, including macroeconomic conditions, policy environment, product market prices, project construction progress, operational management, and investment or acquisition activities. Given the complexity and volatility of the market environment, the Group may adjust these targets as necessary in response to evolving development needs. Investors are advised to be aware of the associated investment risks.

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## LETTER FROM THE BOARD

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The purpose of this circular is to provide Shareholders with, among other things, (i) further details of the Acquisition; (ii) the Valuation Report on the fair value of 100% equity interest of the Target Group; and (iii) a notice of the SGM to be convened to consider and, if thought fit, approve, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder, including the grant of the Specific Mandate for the allotment and issue of the Consideration Shares.

### THE ACQUISITION

On 7 March 2025, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the Sale Share at the Consideration of not more than HK\$400,000,000, which shall be settled by way of the issue of the Consideration Shares under the Specific Mandate. On 7 October 2025, the Purchaser and the Vendor, entered into the Supplemental Agreement in relation to the Acquisition on the Lock-Up Period arrangement.

The details of the Sale and Purchase Agreement are as follows:

**Date:** 7 March 2025

**Parties:**

- (a) the Purchaser, a wholly-owned subsidiary of the Company (as the Purchaser)
- (b) the Vendor (as the Vendor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this circular, the Vendor and its ultimate beneficial owners are Independent Third Parties.

### Subject matter

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the Sale Share, representing 100% of the total issued share capital of the Target Company as at the date of this circular.

### Consideration and Payment Terms

As mentioned in the Announcement, the Consideration shall be no more than HK\$400,000,000, which would be settled by the allotment and issue of 800,000,000 Consideration Shares by the Company at the Issue Price of HK\$0.5 per Consideration Share on the Completion Date to the Vendor (or its designated nominee).

The Consideration was determined by the Vendor and the Company after arm's length negotiations taking into account, among other things, (i) the business growth and prospects of the Target Group; (ii) the recent trend of international gold prices and the contributing factors of its rally; (iii) the factors as set out in the section headed "Reasons for and benefits of the Acquisition"; and (iv) the valuation of the 100% equity interest of the Target Group prepared by the Valuer ("**Valuation**"), which was preliminarily estimated by the Vendor and the Company to be about HK\$400,000,000 and in any event not less than HK\$200,000,000 as at the date of the Sale and Purchase Agreement.

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## LETTER FROM THE BOARD

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Based on the Valuation Report prepared by the Valuer with reference to the latest gold price and indicated mineral resource shown in the Mineral Resource Estimation Report prepared by SRK, the fair value of 100% equity interest of the Target Group as at the Valuation Date was approximately HK\$711,021,000. The Valuation Report is as reference for the maximum and minimum Consideration only which does not affect terms of Consideration determined based on the information available at the initial stage of the transaction upon arm's length negotiations between the Vendor and the Company.

The exact amount of the Consideration of HK\$400,000,000 payable at Completion was determined with respect to the following formula, which is capped at HK\$400,000,000:

$$\text{Consideration} = (\text{amount of Valuation} / \text{HK\$400,000,000}) \times \text{HK\$400,000,000}$$

The Consideration represents a discount of approximately 43.74% to the Valuation of the Target Group, which would be settled by the allotment and issue of 800,000,000 Consideration Shares by the Company at the Issue Price of HK\$0.5 per Consideration Share on the Completion Date to the Vendor (or its designated nominee).

Taking into account the above, the Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### Consideration Shares

800,000,000 Consideration Shares represents (i) approximately 18.19% of the existing issued share capital of the Company; and (ii) approximately 15.39% of the Company's issued share capital as enlarged by the issue of the Consideration Shares (assuming there is no other change in the issued share capital of the Company from the date of this circular and up to the Completion). The Consideration Shares will be allotted and issued under the Specific Mandate to be sought and approved by the Shareholders at the SGM. The Consideration Shares when allotted and issued shall be credited as fully paid and rank pari passu with all other Shares in issue in the share capital of the Company.

Application will be made by the Company to the Listing Committee for the approval for the listing of, and permission to deal in, the Consideration Shares. The issue price of HK\$0.5 per Consideration Share represents:

- (i) a discount of approximately 16.67% to the closing price of HK\$0.60 per Share as quoted on the Stock Exchange on 7 March 2025, being the date of the Sale and Purchase Agreement;
- (ii) a discount of approximately 3.85% to the average closing price per Share as quoted on the Stock Exchange for the last 5 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$0.52 per Share;
- (iii) same as the average closing price per Share as quoted on the Stock Exchange for the last 30 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$0.50 per Share;

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## LETTER FROM THE BOARD

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- (iv) a premium of approximately 2.04% over the average closing price per Share as quoted on the Stock Exchange for the last 60 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$0.49 per Share;
- (v) a premium of approximately 2.04% over the average closing price per share as quoted on the Stock Exchange for the last 90 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$0.49 per Share;
- (vi) a discount of approximately 83.92% to the closing price of HK\$3.11 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vii) a discount of approximately 27.5% over the unaudited net asset value per Share of approximately HK\$0.69, which is calculated as the published unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$3,046,807,000 as at 30 June 2025 divided by the total number of issued Shares outstanding as at the date of this circular.

The Company considers the Issue Price, which was determined after arm's length negotiation between the Group and the Vendor at the date of the Sale and Purchase Agreement, to be fair and reasonable having considered, among other things, (i) that the issue of Consideration Shares as the Consideration would enable the Company to acquire the controlling interest in the Target Group without causing an undue burden on the Company's cash flow; and (ii) the reasons for and benefits of the Acquisition as described in the paragraph headed "Reasons for and benefits of the Acquisition".

### **Lock-Up arrangement**

On 7 October 2025, the Purchaser and the Vendor, entered into the Supplemental Agreement in relation to the Acquisition on the Lock-Up Period arrangement. According to the Supplemental Agreement, the Vendor undertakes that it shall not offer, sell, contract to sell, transfer, pledge, create any encumbrance over or otherwise dispose of, directly or indirectly, the Consideration Shares, enter into transaction(s) which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of the Consideration Shares for the Lock-Up Period without the prior written consent of the Purchaser.

### **Conditions precedent**

Completion is conditional upon the satisfaction (or waiver, if applicable) of all of the following conditions:

- (i) the completion of a due diligence review on the Target Group (in particular the Project Company) by the Purchaser to the reasonable satisfaction of the Purchaser;
- (ii) the receipt of a valuation report in the form and substance acceptable to the Purchaser from an independent valuer of international standing appointed by the Purchaser and showing the value of 100% equity interest of the Target Group of not less than HK\$200,000,000;

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## LETTER FROM THE BOARD

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- (iii) the Exploration Licences continues to be valid and not having been revoked or suspended for whatever reason;
- (iv) the receipt by the Purchaser of a report issued to the Company from a qualified technical expert acceptable to the Purchaser relating to the state and condition of the Gold Mines, and confirming the resources of gold within the Gold Mines, in form and substance acceptable to the Purchaser;
- (v) the passing of the resolution by the Shareholders in general meeting approving the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Specific Mandate;
- (vi) the Listing Committee having granted the approval for the listing of, and the permission to deal in, the Consideration Shares;
- (vii) all other requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the Sale and Purchase Agreement having been obtained by the respective parties to the Sale and Purchase Agreement (including but not limited to the necessary consent from the Stock Exchange, if any);
- (viii) none of the warranties made by the Vendor under and other provisions of the Sale and Purchase Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or (in respect of any of the aforesaid warranties) is misleading or untrue in any material respect; and
- (ix) Mr. Ma having duly executed a waiver to waive all the outstanding amounts due to him from the Target Group as of the Completion Date.

The Purchaser shall have the right to waive the conditions precedent above (save for the conditions (v), (vi) and (vii), which cannot be waived). Save as aforesaid, if the conditions precedent as set out in the Sale and Purchase Agreement have not been fulfilled (or, where applicable, waived by the Purchaser) on or before the Longstop Date, whichever is earlier (or such other date as the parties may agree in writing), neither the Purchaser nor the Vendor shall be obliged to proceed with Completion.

The Longstop Date is 12 months from the date of the Sale and Purchase Agreement (the “**12-month Period**”) or any other date which may be agreed by the Vendor and the Purchaser in writing. The 12-month Period is determined based on the expected time required for fulfilment of the conditions precedent. The Mineral Resource Estimation Report by SRK with detailed analysis and review by independent experts takes a lot time to prepare, which is technical foundation for the Valuation Report. In addition, the Valuation Report itself also takes time for separate independent assessment.

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## LETTER FROM THE BOARD

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The circumstances where the Vendor and Purchaser may agree to extend the Longstop Date includes the Mineral Resource Estimation Report prepared by SRK remaining incomplete and delay in preparation of the Valuation Report due to technical dependencies on the Mineral Resource Estimation Report. The Board is of the view that in case such circumstances arise, a prolonged Longstop date will be in the interest of the Company and its shareholders as it allows sufficient time for the parties to fulfill the conditions precedent to ensure the Acquisition proceeds in a compliant, accurate, and orderly manner, reducing the risk of premature termination and safeguarding the integrity of the Acquisition. As at the Latest Practicable date, as the conditions precedent (i) – (iv), (viii) and (ix) have been fulfilled, the Company does not anticipate extension of the Longstop Date.

### **Completion**

Completion shall take place on the Completion Date.

Upon Completion, the Target Company will become a wholly owned subsidiary of the Company. The results and assets and liabilities of the Target Group will be consolidated with, and accounted for as subsidiaries, in the Company's consolidated financial statements.

### **INFORMATION ON THE PARTIES**

#### **Information of the Purchaser**

The Purchaser is an investment holding company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company.

#### **Information of the Vendor**

The Vendor is a company incorporated in the Republic of Seychelles with limited liability and is an investment holding company. The Vendor is the sole beneficial owner of the entire issued share capital of the Target Company. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, As at the date of this circular, the Vendor is ultimately beneficially owned by Mr. Ma. Mr. Ma has over five years of experience in mining industry.

### **INFORMATION ON THE TARGET GROUP**

The Target Company is an investment holding company that was incorporated in the Republic of Seychelles with limited liability on 9 May 2024. As at the date of this circular, it is wholly-owned by the Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, As at the date of this circular, the Target Company and its ultimate beneficial owners are Independent Third Parties.

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## LETTER FROM THE BOARD

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The principal asset of the Target Company is its indirect interest in the Project Company. The Project Company is a limited liability company incorporated under the laws of the PRC on 15 June 2023. As at the date of this circular, the Project Company is indirectly wholly-owned by the Target Company.

The Target Group is principally engaged in the business of investment in exploration activities, specifically targeting in gold mineral exploration investment. As at the date of this circular, the Target Company, through the Project Company, holds 70% economic benefits of the Exploration Licences pursuant to the Cooperation Agreement.

### Financial Information of the Target Group

Set out below is a summary of the unaudited financial information on the Target Group prepared in accordance with the Hong Kong Generally Accepted Accounting Principles for the two years ended 31 December 2024 and the six months ended 30 June 2025:

	For the year ended 31 December 2023 <i>HK\$'000</i>	For the year ended 31 December 2024 <i>HK\$'000</i>	For the six months ended 30 June 2025 <i>HK\$'000</i>
Turnover	—	—	—
Net loss before taxation	—	(68)	(35)
Net loss after taxation	—	(68)	(35)
Net asset value	—	1,012	994

### INFORMATION ON THE VALUER

The Valuation Report was prepared by the Valuer, Masterpiece Valuation Advisory Limited, a qualified professional valuer and an Independent Third Party and was issued on 15 August 2025. The Valuer has given and has not withdrawn its consent to the publication of this circular with the inclusion of its opinion, letter and all references to its name in the form and context in which they appear.

Please refer to the Appendix I to this circular for the full text of the Valuation Report.

Details of Gold Mines are as follows.



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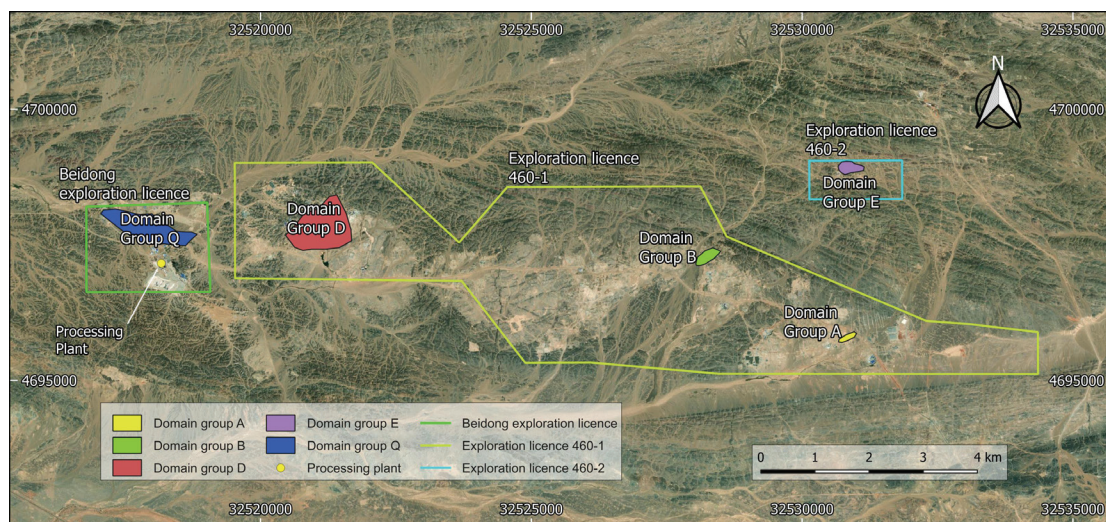
## LETTER FROM THE BOARD

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### THE GOLD MINES

#### The Gold Mines' resource overview

The Gold Mines are located in Subei County in the Gansu Province of the PRC. The discovered gold ore bodies are covered by three Exploration Licences: T6200002022014050056664 (“**Beidong Exploration Licence**”), T6200002022014050056666 (“**Exploration Licence 460-1**”), and T6200002022014050056665 (“**Exploration Licence 460-2**”), with a total area of 35.5 km<sup>2</sup>.



Within the Exploration Licences' area, a total of 11 gold ore bodies have been identified and confirmed, distributed across five domain groups: A, B, D, E and Q. Among these, the domain group D holds the largest share of resources, with a reported total of 15.3 tonnes of gold, accounting for approximately 59% of the total resources in the Mineral Resource Estimation Report. The average grade in this zone is 4.81 g/t Au. The domain group D is located only about 2.8 kilometers from Northeast Mining's processing plant, which is expected to incur relatively low transportation costs for future ore production.



## LETTER FROM THE BOARD

Set out below is the mineral resources statement for the Gold Mines as at 30 June 2025 as extracted from the Mineral Resource Estimation Report:

### Mineral resources statement in Exploration Licences

Domain	Classification	Inventory (t)	Au Grade (g/t)	Au Metal (t)
Exploration Licence 460-1				
A104	Indicated	294,800	5.36	1.58
	Inferred	38,600	6.14	0.24
A105	Indicated	104,300	3.70	0.39
	Inferred	27,200	3.52	0.10
B204	Indicated	224,500	5.94	1.33
	Inferred	39,200	6.68	0.26
D348	Indicated	1,164,200	4.10	4.78
	Inferred	411,900	4.03	1.66
D348-5-1	Indicated	688,900	5.66	3.90
	Inferred	394,500	6.16	2.43
D348-5-2	Indicated	495,300	4.85	2.40
	Inferred	24,400	5.34	0.13
Exploration Licence 460-2				
E401	Indicated	286,700	5.11	1.46
	Inferred	43,200	5.45	0.24
Beidong Exploration Licence				
Q1	Indicated	35,400	3.50	0.12
	Inferred	340,100	3.41	1.16
Q3	Indicated	158,900	3.87	0.62
	Inferred	110,900	3.37	0.37
Q8-1	Indicated	369,700	3.01	1.11
	Inferred	27,600	3.33	0.09
Q10	Indicated	219,700	2.97	0.65
	Inferred	309,900	3.29	1.02
Total	Indicated	4,042,400	4.54	18.34
	Inferred	1,767,500	4.36	7.70
	Total	5,809,700	4.48	26.03

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## LETTER FROM THE BOARD

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*Notes:*

- 1 Any differences between totals and sum of components are due to rounding.
- 2 A nominal threshold of 1.0 g/t Au was applied for defining the wireframes of mineralised domains.
- 3 A combined criterion of a 1.0 g/t Au cut-off grade and an Au accumulation of 0.8 m\*(g/t) was applied to the resource block model. The minimum mineable thickness for the current mining method, shrinkage stoping, is 0.8 m.
- 4 Mineral resources that are not ore reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues.

### Competent Person's statement

The information in this report that relates to mineral resources is based on information compiled by Dr (Tony) Shuangli Tang, who is a member of Australian Institute of Geoscientists (AIG). Dr Tang is a full-time employee of SRK Consulting (Hong Kong) Limited and has sufficient experience that is relevant to the style of mineralisation, the type of deposit under consideration and the activity that he undertakes to qualify as a Competent Person as defined in the 2012 edition of the JORC Code.

As at the date of this circular, the Target Group holds 70% economic benefits of the Exploration Licences, details of which are as follows:

Licence holder	Exploration licence number	Area (km <sup>2</sup> )	Validity period
Northeast Mining	T6200002022014050056664	3.63	January 2022 to January 2027
Northeast Mining	T6200002022014050056665	1.22	January 2022 to January 2027
Northeast Mining	T6200002022014050056666	30.65	January 2022 to January 2027

Each of the Project Company and Northeast Mining holds 70% and 30% of the economic benefits arising from the Exploration Licences respectively pursuant to the Cooperation Agreement.

### REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is engaged in exploration, mining, processing, smelting and sales of gold and related products in China. The Company is a limited liability company incorporated in Bermuda. The principal activity of the Company is investment holding.

As disclosed in the Company's annual report for the financial year ended 31 December 2023, the Group is proactively exploring various long-term value-added investment opportunities for Shareholders and believes this is in the interests of maximizing Shareholders values. At the same time, the Acquisition presents a highly attractive opportunity for the Company. The valuation of the Target Group is approximately HK\$711,021,000, which significantly exceeds the Consideration. The notable disparity underscores the strategic importance of the Acquisition and its potential to deliver meaningful returns to shareholders. The primary driver of this difference is the higher resource estimate presented in the Mineral Resource Estimation Report prepared by SRK, compared to the preliminary estimated data available prior to the transaction. Additionally, the Valuation reflects the increase in the gold price, which was lower at the time of the Sale and Purchase Agreement than on the Valuation Date, further amplifying the valuation gap.

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## LETTER FROM THE BOARD

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As such, the Directors believe that the Acquisition, if materialised, enables the Group to acquire the entire economic benefits of the Exploration Licences and the Group will be able to further and significantly expand its own mineral portfolio to support the sustainable development of the Group in respect of growth and profit potential. Accordingly, the Directors are of the view that the Acquisition is on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

### CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes only, set out below is a summary of the shareholdings in the Company (i) As at the date of this circular; and (ii) immediately after the allotment and issue of the maximum number of the Consideration Shares (assuming that there is no other change in the share capital of the Company):

Shareholders	As at the date of this circular		Immediately after the allotment and issue of the maximum number of Consideration Shares	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Qinlong Jinxin Mining Investment Limited	1,186,334,000	26.98%	1,186,334,000	22.82%
Lam Yuk Ying	330,000,000	7.50%	330,000,000	6.35%
Fung Wai Enterprises Ltd.	600,000,000	13.64%	600,000,000	11.54%
The Vendor (or its designated nominee)	—	—	800,000,000	15.39%
Other public Shareholders	<u>2,281,358,221</u>	<u>51.88%</u>	<u>2,281,358,221</u>	<u>43.90%</u>
Total	<u>4,397,692,221</u>	<u>100.00%</u>	<u>5,197,692,221</u>	<u>100.00%</u>

### IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, is more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

### SGM

The SGM will be convened to consider and, if thought fit, approve, among other things: (i) the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) the Specific Mandate for the allotment and issue of the Consideration Shares.

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information, and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement, and the transactions contemplated thereunder (including the allotment and issue of Consideration Shares under the Specific Mandate). As such, no Shareholder will be required to abstain from voting on the resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder (including the allotment and issue of Consideration Shares under the specific mandate) at the SGM.

A notice convening the SGM to be held at Room 2707A, 27/F., Office Tower of Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 31 October 2025 at 10:30 a.m. is set out on pages SGM-1 to SGM-3 of this circular. A form of proxy for use at the SGM is enclosed with this circular. Such form of proxy is also published on the websites of the Company and the Stock Exchange.

Whether or not Shareholders are able to attend and vote at the SGM in person, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM (i.e. not later than 10:30 a.m. on Wednesday, 29 October 2025) or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the SGM if they so wish and, in such event, the form of proxy shall be deemed to be revoked.

### VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting (save for certain procedural or administrative matters) must be taken by poll. The chairman of the SGM shall therefore demand voting on the resolution set out in the notice of SGM be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he is the holder. A Shareholder entitled to more than one vote on a poll needs not use all his votes or cast all the votes he uses in the same way.

### CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

In order to determine the entitlements of the Shareholders to attend and vote at the SGM, the transfer books and register of members will be closed from Monday, 27 October 2025 to Friday, 31 October 2025, both days inclusive, during which period no transfer of Shares will be registered.

In order to be eligible for attending and voting at the SGM, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the branch share registrar of the Company, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by not later than 4:00 p.m. on Friday, 24 October 2025. The record date for determining the entitlements of the Shareholders to attend and vote at the SGM is Friday, 31 October 2025.

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## LETTER FROM THE BOARD

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### RECOMMENDATION

The Board considers that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the proposed grant of the Specific Mandate, are on normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the resolution to be proposed at the SGM.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. 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.

### MISCELLANEOUS

In the event of any inconsistency, the English texts of this circular and the accompanying form of proxy shall prevail over their respective Chinese texts.

**Shareholders and potential investors of the Company should note that the Completion is subject to the satisfaction of the conditions to the Sale and Purchase Agreement and there is no assurance that such conditions will be fulfilled. Therefore, the transactions contemplated under the Sale and Purchase Agreement may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares or any securities of the Company.**

**Any forward-looking operational or financial data (if any) contained in this circular represents the Company's internal targets and does not constitute a profit forecast. There is no assurance that the Company will achieve or fail to achieve such targets. Given the inherent risks and uncertainties, the forward-looking statements in this circular should not be regarded as representations or actual commitments by the Board or the Company regarding the realization of the plans and objectives described herein. Investors are advised not to place undue reliance on such statements. Unless otherwise required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements or information, whether as a result of new data, future events, or other circumstances. The Directors reminds investors and shareholders to exercise caution when trading in the Company's securities.**

Yours faithfully,  
By Order of the Board of  
**Tongguan Gold Group Limited**  
**Jiang Zhiyong**  
*Chairman and Executive Director*

*The follow is the text of the valuation report prepared by the Valuer, which was prepared for inclusion in this circular.*

**VALUATION REPORT**

Valuation Services in relation to  
the Proposed Acquisition of  
Wise Trend Investment Limited and its subsidiaries



Prepared for:

Tongguan Gold Group Limited

Valuation Date:

28 July 2025

**STRICTLY CONFIDENTIAL**

The Board of Directors

**Tongguan Gold Group Limited**

Room 2707A, 27/F., Office Tower of Convention Plaza

1 Harbour Road, Wanchai, Hong Kong

15 August 2025

Dear Sirs/Madams,

**Re: Valuation of Equity Interest of Wise Trend Investment Limited and its subsidiaries**

In accordance with your instruction, Masterpiece Valuation Advisory Limited (“**Masterpiece**” or “**we**”) has conducted a fair value valuation in connection with the equity interest of Wise Trend Investment Limited and its subsidiaries (the “**Target Company**”) as of 28 July 2025 (the “**Valuation Date**”). We understand that Tongguan Gold Group Limited (the “**Company**,” “**Tongguan**,” or “**you**”), through its wholly owned subsidiary Grand Gallant Investments Limited (“**Grand Gallant**”), intends to acquire a certain shareholding in the Target Company (the “**Proposed Acquisition**”).

It is our understanding that this appraisal is strictly addressed to the directors of the Company (the “**Directors**”) and used for the Proposed Acquisition solely for your purpose. This report (the “**Report**”) does not constitute an opinion on the commercial merits and structure of the Proposed Acquisition. We are not responsible for unauthorized use of the Report.

We accept no responsibility for the realization and completeness of any estimated data, or estimates furnished by or sourced from any third parties which we have used in connection with this Report. We assumed that financial and other information provided to us are accurate and complete.

This Report presents the summary of the business appraised, describes the basis of analysis and assumptions and explains the analysis methodology adopted in this appraisal process to calculate the value.

## 1. BASIS OF ANALYSIS

We have appraised the fair value of 100% equity interest of the Target Company.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

## 2. COMPANY BACKGROUND

The Target Company is a privately held entity incorporated in the People's Republic of China. As of the Valuation Date, it holds a 70% economic interest in the Exploration Licenses through a cooperation agreement dated June 20, 2023, with Northeast Mining. The principal asset of the Target Company is its indirect interest in the Subei Mongolian Autonomous County Yixin Mining Development Co., Ltd. (the "**Project Company**"), which is a limited liability company incorporated under PRC law on June 15, 2023. As of the Valuation Date, the Project Company is indirectly wholly owned by the Target Company.

These licenses authorize exploration activities at two gold mining properties located in Subei County, Gansu Province, PRC: the Beidong Gold Mine (北東金礦) and the 460 Gold Mine (460金礦). Under the terms of the Cooperation Agreement, the Target Company acts as the funding provider for exploration activities conducted under these licenses by Northeast Mining.

The Company intends to acquire 100% equity interest in the Target Company and would like to assess the fair value of the Target Company as of the Valuation Date.

## 3. REPORTING STANDARD

We observe and follow the definitions and standards laid down by the Hong Kong Financial Reporting Standards and the International Valuation Standards.

## 4. SCOPE OF WORK

In conducting this valuation exercise, we have

- Co-ordinated with the Company's representatives to obtain the required information and documents for our valuation;
- Gathered the relevant information of the Target Company, including the legal documents, financial statements, etc. made available to us;
- Discussed with the Company and the Target Company to understand the history, business model, operations, business development plan, etc. of the Target Company for valuation purpose;
- Carried out research in the sector concerned and collected relevant market data from reliable sources for analysis;



- Studied the information of the Target Company made available to us and considered the bases and assumptions of our conclusion of value;
- Selected an appropriate valuation method to analyse the market data and derived the estimated fair value of the Target Company; and
- Compiled this Report on the valuation, which outlines our findings, valuation methodologies and assumptions, and conclusion of value.

When performing our valuation, all relevant information, documents, and other pertinent data concerning the assets, liabilities and contingent liabilities should have been provided to us. We relied on such data, records and documents in arriving at our opinion of values and had no reason to doubt the truth and accuracy of the information provided to us by the Company, the Target Company and their authorized representatives.

## **5. SOURCES OF INFORMATION**

For the purpose of our valuation, we were provided with the information in respect of the Target Company prepared by the Company, the Target Company and their authorized representatives. The valuation required the consideration of all relevant factors including, but not limited to the following:

- Background information of the operation and relevant corporate information of the Target Company;
- Historical financial information of the Target Company;
- Mineral Resource Estimation Report prepared by SRK Consulting (Hong Kong) Limited (“SRK”);
- Registrations, legal documents, permits and licenses related to the mining assets;
- The economic outlook in general and the specific economic environment and market elements affecting the gold mining business, industry and market; and
- FactSet, Shanghai Gold Exchange and other reliable sources of market data.

## **6. INDUSTRY OVERVIEW**

### **6.1. Global Economy**

The global economy continues to navigate a complex landscape in 2024, marked by persistent headwinds and divergent growth trajectories across regions. According to the latest OECD and IMF projections, worldwide GDP growth is expected to hold steady at 3.1% this year – identical to 2023’s pace – before edging up modestly to 3.2% in 2025. While this suggests relative stability at the aggregate level, the underlying picture reveals significant disparities, with nearly 60% of economies accounting for over 80% of the global population continuing to underperform their pre-pandemic growth trends.

Multiple intersecting challenges cloud the economic horizon. Geopolitical risks have intensified, particularly from ongoing conflicts in Eastern Europe and the Middle East, which threaten to disrupt energy markets and trade flows. The global trading system faces mounting stress as protectionist measures proliferate, with U.S.-China tensions and EU trade defences potentially reshaping supply chains. Financial conditions remain tight as major central banks maintain elevated interest rates to combat inflation, though policy paths are diverging – the European Central Bank has begun cutting rates while the Federal Reserve maintains its higher-for-longer stance.

Inflation shows signs of gradual moderation across most advanced economies, with the global rate projected to decline from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025. However, services inflation and wage growth remain stubbornly high in many countries, suggesting the “last mile” of disinflation may prove most challenging. Emerging markets face additional pressures from strong dollar conditions and elevated debt servicing costs, with several low-income countries already in debt distress.

Regional performance continues to diverge markedly. Asia remains the relative bright spot, though growth is expected to moderate from 5.1% in 2023 to 4.8% in 2024 as China’s economy slows amid property sector troubles and weak consumer confidence. The Eurozone struggles with near-stagnation as Germany’s industrial sector falters, while Latin America faces another year of subpar growth before a potential 2025 rebound. By contrast, parts of South Asia and North America demonstrate greater resilience, with India and the U.S. continuing to outperform peers.

Climate-related disruptions are emerging as a growing macroeconomic risk, with extreme weather events increasingly impacting agricultural output, infrastructure, and insurance costs. Simultaneously, the energy transition is creating both challenges and opportunities as countries balance security and sustainability imperatives.

Looking ahead, policymakers face difficult trade-offs between supporting growth and maintaining price stability, while also addressing longer-term structural challenges. Strengthened multilateral cooperation will be essential to manage shared risks, from debt vulnerabilities to climate change and technological fragmentation. While recession risks have receded in most major economies, the global outlook remains fragile, with growth prospects heavily contingent on the evolution of geopolitical tensions, policy decisions, and the pace of private sector adaptation to this uncertain environment.

## **6.2. Gold Mining Industry in China**

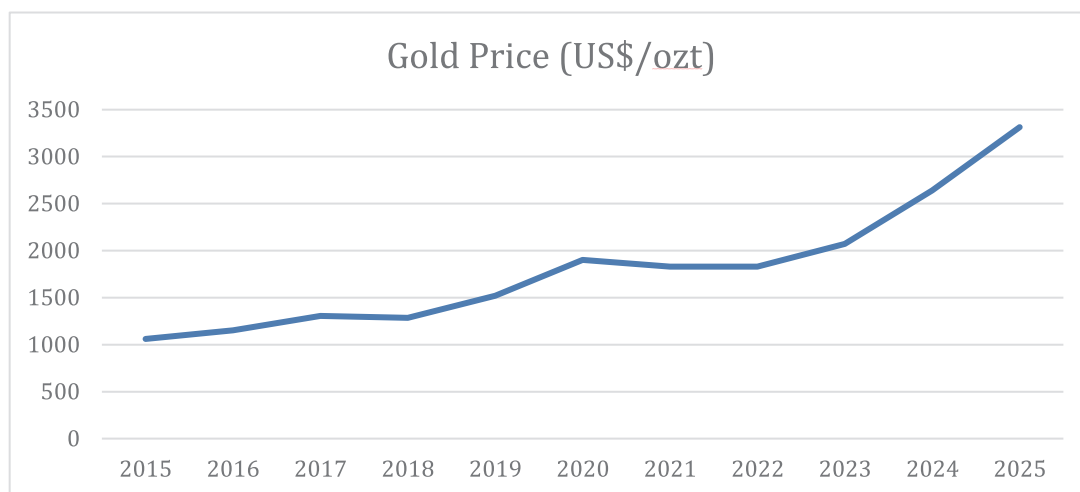
According to the China Gold Association’s 2024 annual report, China has maintained its position as the world’s top gold producer for an unprecedented 17th consecutive year, with projected 2024 output reaching 380-390 tonnes. However, this stable production volume belies significant operational challenges. Industry reports from Zijin Mining indicate average ore grades have deteriorated to just 1.2-1.8 g/t Au, representing a 40-50% decline compared to 2020 levels and forcing miners to process three times more material to maintain similar output volumes.

The cost structure of Chinese gold mining has undergone dramatic changes according to data from the Ministry of Industry and Information Technology. Their 2024 Smart Mining Guidelines reveal that new “**Green Mine**” standards have added an estimated \$80-100 per ounce to production costs through requirements including real-time tailings monitoring and mandatory water recycling systems. These regulations form part of China’s broader ecological initiative, which according to the National Mine Safety Administration has already led to the closure of 23 small-scale operations in the first half of 2024 for non-compliance.

Technological innovation has become critical for survival according to recent corporate disclosures. Shandong Gold’s 2024 Technology White Paper reports their AI-based predictive maintenance systems have reduced equipment downtime by 35%, while according to Zijin Mining’s Innovation Report, autonomous drilling rigs are now operational at depths exceeding 1,500 meters. The London Bullion Market Association confirms that three Chinese refineries have achieved full blockchain-based supply chain traceability.

According to the Bolivia Ministry of Energy, Chinese miners are pursuing innovative international partnerships, such as Zijin’s lithium-gold co-processing agreement with COMIBOL. The China-Africa Mining Partnership Report 2023 details how these ventures now extend beyond simple acquisitions to integrated mining-refining-logistics networks.

Looking ahead, according to research from China Ocean Mineral Resources R&D, deep-sea mining technology may unlock new gold resources, while the PBOC’s 2024 Gold Reserve Strategy highlights gold’s growing role in financial security amid currency volatility. According to CNG Energy’s Transition Outlook, the industry must reconcile its energy-intensive processes with decarbonization goals, suggesting 2024 may represent an inflection point for China’s gold sector.



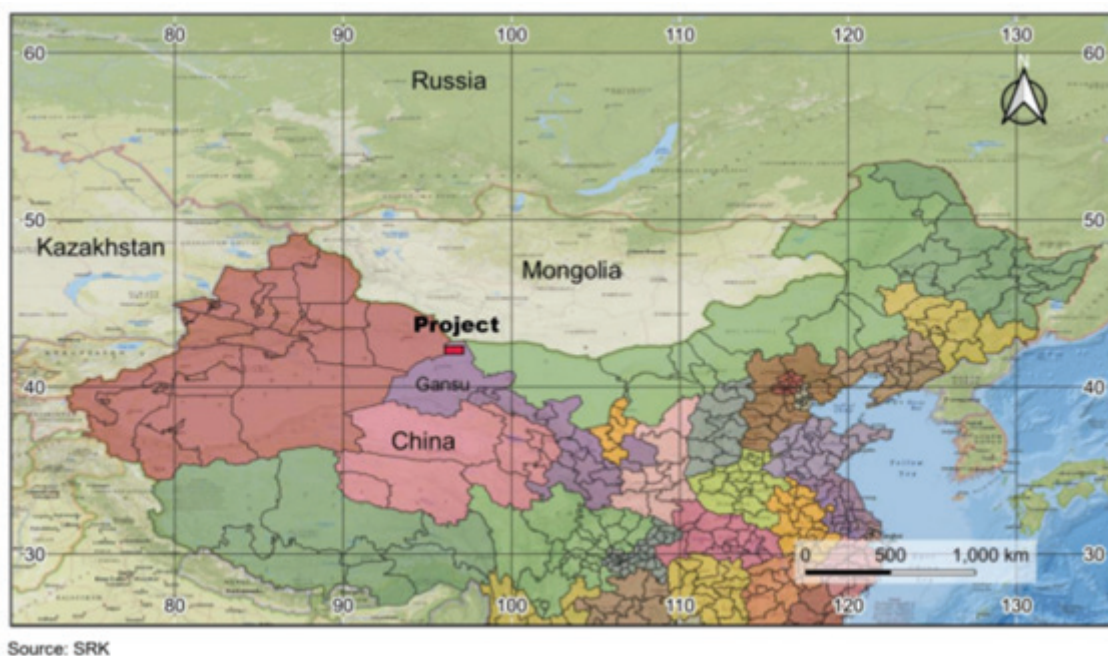
Source: FactSet

## 7. PROJECT OVERVIEW

### 7.1. Location

The Beidong Gold Mine and 460 Gold Mine are located in Mazongshan, Subei, Gansu Province in the People's Republic of China, within the geographical coordinates of 96° 13'00"E~96° 24'58"E, 42° 23'01"N~42° 25'31"N, where the border with the Mongolian People's Republic lies 30 km to the north. The location map is shown in Figure 1.

**Figure 1 Location of Exploration and Mining Licences**



### 7.2. Licences

#### *Exploration Licences*

The Target Company holds a 70% economic interest in the Exploration Licences through a cooperation agreement. The details of the Exploration Licence are shown in the following tables.

**Table 1: Exploration Licence**

Project short name	Beidong	460-1	460-2
Exploration licence number	T6200002022014050056664	T6200002022014050056666	T6200002022014050056665
Area (km <sup>2</sup> )	3.63	30.65	1.22
Elevations	Below 1,450 m	Below 1,248 m	Below 1,413 m
Valid period	11 January 2022 to 10 January 2027	11 January 2022 to 10 January 2027	11 January 2022 to 10 January 2027

**Mineral Resources**

The mineral resources estimated by the SRK in accordance with the JORC Code (2012) as of 30 June 2025 are summarized as below:

**Table 2: Mineral Resource Statement**

Property	Category	Tonnage (t)	Au Grade (g/t)	Au Metal (t)
Beidong Gold Mine	Indicated	4,042,400	4.54	18.34
and 460 Gold Mine	Inferred	1,767,500	4.36	7.70
	Total	5,809,700	4.48	26.03

**8. LIMITATIONS OF THE REPORT**

The Report is addressed strictly to the Directors for their internal reference only. Accordingly, the Report may not be used nor relied upon in any other connection by, and are not intended to confer any benefit on, any person (including without limitation the respective shareholders of the Company and the Target Company).

The Report does not constitute an opinion on the commercial merits and structure of the Proposed Acquisition. The Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Proposed Acquisition. We are not required to and have not conducted a comprehensive review of the business, technical, operational, strategic or other commercial risks and merits of the Proposed Acquisition and such remain the sole responsibility of the Directors and the management of the Company.

We have assumed and relied upon, and have not independently verified the accuracy, completeness and adequacy of the information provided or otherwise made available to us or relied upon by us in the Report especially for the financial information of the Target Company provided by the management of the Company, whether written or verbal, and no representation or warrant, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of all such information.

The results of our work are dependent on the financial projections of the Target Company. However, because events and circumstances frequently do not occur as expected, there will usually be differences between predicted and actual results, and those differences may be material. We take no responsibility for the achievement of predicted results.

Moreover, our valuation has also relied upon other information obtained from public sources which we believe to be reliable. We accept no responsibility for accuracy and reliability of any information obtained from public sources.

**9. VALUATION ASSUMPTIONS OF BUSINESS ENTERPRISE VALUE ANALYSIS**

In arriving at our opinion of value, we have considered the following principal factors:

- the economic outlook for the region operated by the Target Company and specific competitive environments affecting the industry;
- the business risks of the Target Company;
- the comparable companies are engaging in business operations similar to the Target Company;
- the experience of the management team of the Target Company and support from its shareholders; and
- the legal and regulatory issues of the industry in general.

A number of general assumptions, specific assumption and quantitative assumptions have to be made in arriving at our value conclusion. The key assumptions adopted in this valuation include:

**General assumptions:**

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company; and
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date.
- The Target Company operate continuously as a going concern;
- There is no material change to the national macro-economic, industrial and regulation development policies;
- There is no material change to the relevant tax base and tax rates after the Valuation Date;
- The management of the Target Company is responsible and stable, and is capable of its undertakings after the Valuation Date;
- The Target Group Companies fully comply with all relevant laws and regulations; and
- There is no force majeure which has material adverse effects on the Target Group.

**Specific assumption:**

- The Target Group shall maintain the same business scope and operation method based on the existing management method and management levels after the Valuation Date.

**Quantitative assumptions (based on the feasibility report conducted by SRK Consulting China Limited):**

- Total indicated Au Gold 18.34 tonnes for the Beidong Gold Mine and the 460 Gold Mine.

**10. VALUATION APPROACH****10.1. General Valuation Approaches**

There are three generally accepted approaches to appraise the fair value of the equity value of the Target Company, namely Income Approach, Cost Approach and Market Approach. All three of them have been considered regarding the valuation of the Target Company:

**Income Approach**

The income approach provides an indication of value based on the principle that an informed buyer would pay no more than the present value of anticipated future economic benefits generated by the subject asset.

The fundamental method for income approach is the discounted cash flow (“DCF”) method. Under the DCF method, the value depends on the present value of future economic benefits to be derived from ownership of the enterprise. Thus, an indication of the equity value is calculated as the present value of the future free cash flow of a company less outstanding interest-bearing debt, if any. The future cash flow is discounted at the market-derived rate of return appropriate for the risks and hazards of investing in a similar business.

**Cost Approach**

The cost approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation arising from condition, utility, age, wear and tear, or obsolescence (physical, functional or economical) present, taking into consideration past and present maintenance policy and rebuilding history.

**Market Approach**

The market approach provides an indication of value by comparing the subject asset to similar assets that have been sold in the market, with appropriate adjustments for the differences between the subject asset and the assets that are considered to be comparable to the subject asset.

Under the market approach, the comparable company method computes a price multiple for publicly listed companies that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset. The comparable transaction method computes a price multiple using recent sales and purchase transactions of assets that are considered to be comparable to the subject asset and then applies the result to a base of the subject asset.

### **10.2. Selected Valuation Approach**

Each of the abovementioned approaches is appropriate in one or more circumstances, and sometimes, two or more approaches may be used together. Whether to adopt a particular approach will be determined by the most commonly adopted practice in valuing business entities that are similar in nature. In this appraisal regarding the fair value of the equity value of the Target Company, we applied Market Approach for the Target Company due to the following reasons:

- Cost Approach is not appropriate in current appraisal as it assumed the assets and liabilities of the Target Company are separable and can be sold separately. This methodology is more appropriate for the industry that their assets are highly liquid, like property development and financial institution. Thus, Cost Approach is not adopted in this valuation.
- The Market Approach has been selected as the primary valuation methodology for determining the Target Company's equity value. This determination is based on two key factors: The existence of actively traded substantially similar equity in public markets and Observable transaction data for comparable equity interests in similar companies. This approach provides the most reliable indication of value given current market conditions and available comparables.
- Income approach is considered not to be the appropriate valuation approach in this valuation for valuing the ore reserves estimated for the mining assets, as due to various assumptions and uncertainties inherent in the financial projections, the result is not adopted for the conclusion of value.

### **10.3. Comparable Transaction Method**

Given that there is no mineral property exactly the same as the Target Company, comparable transactions ("**Comparable Transactions**") must be appropriately selected. Under this method, the Market Value is derived from the acquisition prices at which business similar to that of the target was exchanged. Comparable Transaction Method provides an indication of value by comparing the prices at which business of similar properties (business nature and risk assumed) are being exchanged between independent and informed willing buyers and sellers. An indicative price multiple is derived by referring to the consideration transferred in comparable acquisitions.



**10.3.1. Major Assumptions**

The subject mineral resources data available in the public market was presented at a 100% basis, while the comparable transaction might not involve 100% interest. It is necessary to adjust the considerations of each comparable transaction for percentage of interest acquired to a 100% basis for the calculation of price multiple.

$$\text{Acquired Interest Adjustment} = \frac{\text{Consideration of comparable transaction}}{\text{Percentage of acquired interest}}$$

An underlying assumption when using the comparable transaction method is that the terms negotiated and agreed are linked to the mineral price at the time of the transaction. Therefore, to compare any transaction to the Gold Mine as at the Valuation Date, it is necessary to establish what the likely transaction value would have been if it had occurred at that date. The transaction value is determined by adjusting the actual transaction parameters at the date of the transaction to the change in gold prices by multiplying the acquisition parameters by the following “Price Adjustment Factor”:

$$\text{Price Adjustment Factor} = \frac{\text{Gold price per kg as at the Valuation Date}}{\text{Gold price per kg as at the completion date of the comparable transaction}}$$

In each case, the price multiple which is the transaction consideration per kilogram of gold resources has been established as follow:

$$\text{Price Multiple} = \frac{\text{Adjusted consideration of comparable transaction}}{\text{Measured \& indicated gold resources in kg}}$$

**10.3.2. Identify Comparable Transactions**

We have performed a search on similar transaction which can provide a base to perform the comparable transaction method. We conducted our search based on FactSet database and other public source. We have identified transaction targets that shared similar attributes with the Target Company. In particular, the specific attributes of the transaction targets we have considered were summarised:

- Transaction targets with gold mine located in the PRC;
- Transaction targets with principal business operations in gold mining;
- Transaction targets with identifiable M&I mineral resources;
- Transaction targets were completed within four years prior to the Date of Valuation; and
- Transaction targets with adequate transaction information disclosed (including completion date, target name, acquirer name, acquired interest, measured and indicated mineral resources and equity consideration).

Six comparable transactions with similar attributes were identified and the list of six comparable transactions selected is exhaustive based on the selection criteria. The following tables showed the details of the comparable transactions we have viewed and applied in connection with the valuation.

Table 3: Comparable Transactions

	Completion Date	Target Name	Mine	Location	M&I Resources (kg)
1	2021/9/14	Mangshi Huangsheng Gold Mine	Mangshi Gold Mine	Yunnan, China	50,620
2	2022/10/11	Shandong Ruiyin Mining Industry Co. Ltd.	Offshore Gold Mine	Shandong, China	249,660
3	2022/11/06	Zhaojin Mining Industry Co., Ltd.	Dayingezhuang Gold Mine etc.	Gansu etc, China	447,330
4	2022/12/31	Kunming New Ganga Mining Co., Ltd.	Xidengping Gold Mine	Shandong, China	10,046
5	2023/7/7	Grand Gallant Investments Limited	Beidong Gold Mine etc.	Gansu, China	16,640
6	2024/11/25	Yantai City Mujin Mining Company Limited	DGZ Mine	Muping, China	6,100

Table 4: Information of Comparable Transactions

	Completion Date	Acquirer Name	Target Name	Acquired Interest %	M&I Resources (kg)	Equity Consideration (HKD'000)
1	2021/9/14	Yintai Gold Co., Ltd.	Mangshi Huangsheng Gold Mine	60%	50,620	1,251,829
2	2022/10/11	Zijin Mining Industry Co Ltd.	Shandong Ruiyin Mining Industry Co. Ltd.	30%	249,660	4,357,092
3	2022/11/06	Gold Mountains (H.K.) International Mining Co. Ltd.	Zhaojin Mining Industry Co., Ltd.	20%	447,330	4,395,409
4	2022/12/31	Chifeng Jilong Gold Mining Co., Ltd.	Kunming New Ganga Mining Co., Ltd.	46%	10,046	68,712
5	2023/7/7	Tongguan Gold Group Limited	Grand Gallant Investments Limited	100%	16,640	339,000
6	2024/11/25	PRGRHK2 Ltd.	Yantai City Mujin Mining Company Limited	52%	6,100	87,962

**10.3.3. Consideration Adjustment of Comparable Transactions**

Each of the comparable transactions had specific circumstances. Adjustment on percentage of acquired interest is applied to the considerations. Following to the adjustment on the 100% consideration basis, gold price adjustment is necessary for the consideration. Gold Prices were searched from FactSet. Price adjustment factors were determined for each of the selected comparable transaction and applied in this valuation. The adjusted considerations are shown in below table:

**Table 5: Consideration Adjustment of Comparable Transactions**

	Completion Date	Event	100% Consideration (HKD'000)	Gold Price at Transaction Date (USD/ozt)	Price Adjustment Factor	Adjusted Consideration (HKD'000)
	28 July 2025			3,337		
1	2021/9/14	Yintai Gold Co., Ltd acquired Mangshi Huangsheng Gold Mine	2,086,381	1,805	1.84	3,831,989
2	2022/10/11	Zijin Mining Industry Co Ltd acquired Shandong Ruiyin Mining Industry Co. Ltd.	14,523,641	1,666	1.99	28,887,352
3	2022/11/06	Gold Mountains (H.K.) International Mining Co. Ltd. acquired Zhaojin Mining Industry Co., Ltd.	21,977,046	1,683	1.97	43,288,655
4	2022/12/31	Chifeng Jilong Gold Mining Co., Ltd acquired Kunming New Ganga Mining Co., Ltd	149,699	1,825	1.82	271,948
5	2023/7/7	Tongguan Gold Group Limited acquired Grand Gallant Investments Limited	339,000	1,926	1.72	583,516
6	2024/11/25	PRGRHK2 Ltd acquired Yantai City Mujin Mining Company Limited	169,158	2,626	1.26	213,533

**10.3.4. Price Multiple**

After adjustment on the acquired interest and gold prices for each comparable transaction to derive the adjusted consideration, price multiples were calculated by dividing the adjusted consideration to the subject mineral resources. The price multiples for the comparable transactions are shown in below table:

**Table 6: Price Multiple of Comparable Transactions**

	<b>Completion Date</b>	<b>Event</b>	<b>Adjusted Consideration (HKD'000)</b>	<b>M&amp;I Resources (kg)</b>	<b>Price Multiple (HKD'000/kg)</b>
1	2021/9/14	Yintai Gold Co., Ltd acquired Mangshi Huangsheng Gold Mine	3,831,989	50,620	75.7
2	2022/10/11	Zijin Mining Industry Co Ltd acquired Shandong Ruiyin Mining Industry Co. Ltd.	28,887,352	249,660	115.7
3	2022/11/06	Gold Mountains (H.K.) International Mining Co. Ltd. acquired Zhaojin Mining Industry Co., Ltd.	43,288,655	447,330	96.8
4	2022/12/31	Chifeng Jilong Gold Mining Co., Ltd acquired Kunming New Ganga Mining Co., Ltd	271,948	10,047	27.1
5	2023/7/7	Tongguan Gold Group Limited acquired Grand Gallant Investments Limited	583,516	16,640	35.1
6	2024/11/25	PRGRHK2 Ltd acquired Yantai City Mujin Mining Company Limited	213,533	6,100	35.0
				<b>Median</b>	<b>55.4</b>

We considered the median of the price multiples from the aforesaid comparable transactions and applied in the valuation. According to the SRK, the indicated resources of the Beidong Gold Mine and the 460 Gold Mine are summarized as below.

**Table 7: Indicated Resources**

<b>Property</b>	<b>Category</b>	<b>Tonnage (t)</b>	<b>Au Grade (g/t)</b>	<b>Au Metal (t)</b>
Beidong Gold Mine	Indicated	4,042,400	4.54	18.34
and 460 Gold Mine	Inferred	1,767,500	4.36	7.70
Total		5,809,700	4.48	26.03

**11. VALUATION RESULT**

100% of Au Metal(kg)	18,340
70% of Au Metal(kg)	12,838
Price Multiple (HKD'000/kg)	55.4
100% of the Equity Value of the Target Company (HKD'000)	711,021

*Notes:*

1. The 100% equity value of the Target Company is equivalent to the 100% equity value of the Project Company as the Target Company indirectly wholly owns the Project Company as of the Valuation Date.
2. Figures may not exactly add up due to rounding.

**12. RISK FACTORS****12.1. Resource and Reserve**

Estimations of tonnage, grade and overall content of a deposit are based on interpretation and on sampling but not precise calculations. Affected by production costs and selling prices, it is possible that some resources may not be economically mineable, and resulting in a decrease in reserves.

**12.2. Fluctuation of the Selling Price and Demand**

Commodity prices are always volatile. The Volatility of the gold price and the demand will cause direct effect on the valuation.

**12.3. Government Policy Change**

The policy and approval by the local government is important for the future business development of the Target Company. Any changes in the government policy and Any delays in the proposed future development plan may adversely affect the value of the Target Company.

**12.4. Social and Environmental Issues**

Any complaints or protests by the local community or any changes on the environment might have an adverse impact on the mining operation.

**12.5. Economic Conditions**

Economic conditions, both domestic and global, may affect the perception of the value of the project at some time in the future. Whilst this may rightly be perceived as a transactional risk to both the buyer and seller, it must be stressed that our valuation is expressly valid and only valid as at the Valuation Date.

**13. CONCLUSION OF VALUE**

Based on our investigation and analysis method employed, it is our opinion that the fair value of the 100% equity interest of the Target Company as of the Valuation Date is HKD 711,021,000.

The conclusion of the fair value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor prospective interests in Tongguan Gold Group Limited nor the value reported.

Yours faithfully,  
For and on behalf of  
**Masterpiece Valuation Advisory Limited**

**Oswald Au**  
*MHKIS (GP), AAPI MSc (RE), ICPA*  
*Registered Professional Surveyor (GP)*  
*Managing Director*

Analyzed and Reported by:

**Paul Hau**  
*FCPA*  
*Director*

**Terence Wong**  
*Senior Analyst*

*Note:* Mr. Oswald W Y Au is a member of Hong Kong Institute of Surveyors (General Practice), Associate Member of Australian Property Institute and a Registered Professional Surveyor (General Practice) registered with Surveyors Registration Board. He has over 10 years' experience in financial valuation and property valuation in Hong Kong, the PRC, the U.S. and Asia Pacific region.

**APPENDIX – GENERAL LIMITATIONS AND CONDITIONS**

This Report was prepared based on the following general assumptions and limiting conditions:

- All data, including historical financial data, which we relied upon in reaching opinions and conclusions or set forth in the Report are true and accurate to our best knowledge. Whilst reasonable care has been taken to ensure that the information contained in the Report is accurate, we cannot guarantee its accuracy and we assume no liability for the truth or accuracy of any data, opinions, or estimates furnished by or sourced from any third parties which we have used in connection with the Report.
- We also assume no responsibilities in the accuracy of any legal matters. In particular, we have not carried out any investigation on the title of or any encumbrances or any interest claimed or claimable against the property appraised. Unless otherwise stated in the Report, we have assumed that the owner's interest is valid, the titles are good and marketable, and there are no encumbrances that cannot be identified through normal processes.
- We have not verified particulars of property, including their areas, sizes, dimensions, and descriptions, which we have used or have referred to in connection with the preparation of this Report, unless otherwise stated in this Report. Any information regarding areas, sizes, dimensions, and descriptions of property mentioned in this Report are for identification purposes only, and no one should use such information in any conveyance or other legal document. Any plans or graphical illustrations presented in this Report are intended only for facilitating the visualization of the property and its surroundings and such plans or graphical illustrations should not be regarded as a survey or a scale for size.
- The value opinion presented in this Report is based on the prevailing or then prevailing economic conditions and on the purchasing power of the currency stated in the Report as of the date of analysis. The date of value on which the conclusions and opinions expressed apply is stated in this Report.
- This Report has been prepared solely for the use or uses stated. Except for extraction of or reference to the Report by the Company, its financial advisor and/or its independent financial advisor for their respective work in relation to the Proposed Acquisition, it is not intended for any other use or purpose or use by any third parties. We hereby disclaim that we are not liable for any damages and/or loss arisen in connection with any such unintended use.
- Prior written consent must be obtained from Masterpiece Valuation Advisory Limited for publication of this Report. Except for disclosure in the Circular in relation to the Proposed Acquisition, no part of this Report (including without limitation any conclusion, the identity of any individuals signing or associated with this Report or the firms/companies with which they are connected, or any reference to the professional associations or organisations with which they are affiliated or the designations awarded by those organisations) shall be disclosed, disseminated or divulged to third parties by any means of publications such as prospectus, advertising materials, public relations, news.

- No environmental impact study has been carried out, unless otherwise stated in this Report. We assume all applicable laws and governmental regulations are being complied with unless otherwise stated in this Report. We have also assumed responsible ownership and that all necessary licenses, consents, or other approval from the relevant authority or private organisations have been or to be obtained or renewed for any use that is relevant to value analysis in this Report.
- Unless otherwise stated in this Report, the value estimate set out in this Report excludes the impact of presence of any harmful substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, or other potentially hazardous materials or of structural damage or environmental contamination. For purposes of evaluating potential structural and/or environmental defects, where their existence could have a material impact on value of the property, we would recommend that advices from the relevant experts, such as a qualified structural engineer and/or industrial hygienist, should be sought.



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## NOTICE OF SPECIAL GENERAL MEETING

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### 潼關黃金集團有限公司 Tongguan Gold Group Limited

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00340)**

#### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the special general meeting (the “**SGM**”) of the shareholders (the “**Shareholder(s)**”) of Tongguan Gold Group Limited (the “**Company**”) will be held at Room 2707A, 27/F., Office Tower of Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on Friday, 31 October 2025, at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company. The capitalised terms defined in the circular of the Company dated 10 October 2025 (the “**Circular**”) in relation to, among others, the Acquisition, of which this notice forms part shall have the same meanings when used herein unless otherwise specified:

#### ORDINARY RESOLUTION

1. “**THAT:**

- (a) the sale and purchase agreement dated 7 March 2025 (the “**Agreement**”) (a copy of the Agreement marked “A” having been produced to the SGM and initialed by the chairman of the SGM for the purpose of identification) entered into between the Grand Gallent Investments Limited as purchaser (the “**Purchaser**”) and Jumbo China Holding Limited as vendor (the “**Vendor**”), pursuant to which the Purchaser conditionally agreed to purchase and the Vendor has conditionally agreed to sell, one share of Wise Trend Investment Limited (the “**Target Company**”), representing 100% of the total issued share capital in the Target Company, at the consideration of HK\$400,000,000 (the “**Consideration**”), and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) subject to the fulfilment or waiver of the conditions set out in the Agreement, the directors of the Company (the “**Directors**”) be and are hereby granted a specific mandate (the “**Specific Mandate**”) to exercise all the powers of the Company to allot and issue a 800,000,000 new shares of the Company (the “**Consideration Share(s)**”) to the Vendor at the issue price of HK\$0.5 per Consideration Share to settle the Consideration, subject to and in accordance with the terms and conditions of the Agreement; and

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## NOTICE OF SPECIAL GENERAL MEETING

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- (c) any one or more of the Directors be and is/are hereby authorised to do all such acts and things, and to sign, execute and deliver all such documents whether under the common seal of the Company or otherwise as may be necessary, desirable or expedient to carry out or give effect to or in connection with the Agreement and the transactions contemplated thereunder, including without limitation, the allotment and issue of the Consideration Shares under the Specific Mandate and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

By Order of the Board of  
**Tongguan Gold Group Limited**  
**Leung Lai Ming**  
*Company Secretary*

Hong Kong, 10 October 2025

*Notes:*

1. Unless otherwise defined in this notice or the context otherwise requires, terms defined in Circular shall have the same meanings when used in this notice.
2. Voting at the SGM will be taken by poll as required under the Listing Rules.
3. Any member entitled to attend and vote at the meeting of the Company shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the meeting of the Company. A proxy need not be a member of the Company.
4. The register of members of the Company will be closed from Monday, 27 October 2025 to Friday, 31 October 2025 (both days inclusive) for determining the entitlements of the Shareholders to attend and vote at the SGM. In order to be eligible for attending and voting at the SGM, all transfers of Shares (together with the relevant share certificates and instruments of transfer) must be lodged with the branch share registrar of the Company, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by not later than 4:00 p.m. on Friday, 24 October 2025. The record date for determining the entitlements of the Shareholders to attend and vote at the SGM is Friday, 31 October 2025.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing or, if the appointor is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the facts.
6. A form of proxy for the SGM is enclosed. In order to be valid, the form of proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the branch share registrar of the Company, Union Registrars Limited, located at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, not later than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
7. Delivery of an instrument appointing a proxy shall not preclude a shareholder from attending and voting in person at the SGM, and in such event the instrument appointing a proxy shall be deemed to be revoked.
8. Where there are joint registered holders of any share of the Company, any one of such persons may vote at the SGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the SGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.

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## NOTICE OF SPECIAL GENERAL MEETING

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9. The English text of this notice of SGM shall prevail over the Chinese text in case of inconsistency.
10. If a black rainstorm warning signal, a tropical cyclone warning signal no. 8 or above or “extreme conditions” caused by super typhoons is in force at or after 8:00 a.m. on the date of the SGM and/or the Hong Kong Observatory has announced at or before 8:00 a.m. on date of the SGM that either of the abovementioned warnings is to be issued within the next two hours, the SGM will be postponed. The Company will publish an announcement on the websites of the Company and the Stock Exchange to notify members of the date, time and place of the rescheduled SGM.
11. If member has any particular access requirements or needs special arrangements for participating at the meeting, please contact the Hong Kong branch share registrar and transfer office of the Company.
12. The meeting will be held as scheduled even when tropical cyclone warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. Shareholders should make their own decision as to whether they would attend the SGM under bad weather conditions bearing in mind their own situations and if they choose to do so, they are advised to exercise care and caution.

*As at the date hereof, the board of directors of the Company comprises Mr. Jiang Zhiyong, Mr. Shi Xingzhi, Mr. Shi Shengli, Mr. Yeung Kwok Kuen, and Ms. Feng Fangqing as executive directors, and Mr. Chu Kang Nam, Mr. Liang Xushu and Mr. Leung Ka Wo as independent non-executive directors.*