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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)**

**SHARE TRANSACTION**  
**ACQUISITION OF 100% EQUITY INTEREST IN**  
**THE TARGET COMPANY INVOLVING THE ISSUE**  
**OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

Reference is made to the announcement of Tongguan Gold Group Limited (the “**Company**”) dated 19 December 2025 in relation to the Acquisition (the “**Announcement**”).

Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement. The Company would like to provide further information on (i) valuation of the Target Company and basis of the Consideration for the Acquisition; and (ii) information on the Target Group.

**Valuation and Basis of Consideration**

The Target Company, HK Subsidiary and WFOE were established specifically for the purpose of holding, directly or indirectly, the equity interest in the Immediate Holding Company. And based on PRC legal opinion obtained by the Company, the business currently carried out by the WFOE is not subject to foreign investment restrictions in relevant PRC laws and regulations and there is no contractual arrangement adopted in conducting the business. As disclosed in the Announcement, these entities have no other business operations and hold no material assets or liabilities apart from their respective equity holdings in the downstream entity. Consequently, no separate valuation adjustments were required for these intermediate holding companies, as their value is entirely derived from, and equivalent to, the value of the Immediate Holding Company, which in turn holds the underlying equity interest in the Project Company.

## Valuation Assumptions of Business Enterprise Value Analysis

### Selection Criteria for Comparable Companies

By adopting comparable company method, the appropriate comparable public companies were selected. The selection of the comparable companies was based on the comparability of the overall industry sector.

Comparable companies were identified and selected based on the following criteria:

- The principal business activities of the companies are conducted primarily in China, with over 80% of revenue derived from the China;
- The companies are primarily engaged in mining-related engineering businesses, with over 50% of revenue attributable to such activities;
- The companies are listed on major China or Hong Kong stock exchanges, including the Shenzhen Stock Exchange, Shanghai Stock Exchange, and the Hong Kong Stock Exchange; and
- The financial information of the companies is available to the public.

An exhaustive list of five Comparable Companies (referred to as the “Comparable Companies”) satisfying the above selection criteria were identified. Details of the Comparable Companies are as follows:

**Table 1: Comparable Companies**

No.	Company Name	Company Ticker	Description	Revenue Segment	Geographic Segment (Revenue from China)	Stock Exchange
1	Guangdong Hongda Holdings Group Co., Ltd.	002683-CN	Guangdong Hongda Holdings Group Co., Ltd. engages in the integrated mining and civil explosive services. Its products include site mixing, mining infrastructure stripping, overall blasting scheme design, blasting mining, mineral packaging, transportation and other services.	Mining Service Contractors (80.52%)	87.9%	Shenzhen Stock Exchange

<b>No.</b>	<b>Company Name</b>	<b>Company Ticker</b>	<b>Description</b>	<b>Revenue Segment</b>	<b>Geographic Segment (Revenue from China)</b>	<b>Stock Exchange</b>
2	Pizu Group Holdings Limited	9893-HK	Pizu Group Holdings Ltd. is an investment holding company, which engages in the civil explosive industry. It operates through the Mining Operation, and Explosives Trading and Blasting Services segments.	Mining-Related Engineering Business (82.67%)	94.1%	Hong Kong Stock Exchange
3	Jiangxi Guotai Group Co., Ltd.	603977-CN	Jiangxi Guotai Group Co., Ltd. engages in the research and development, production, and sales of civil blasting equipment. It provides blasting services for mines, and infrastructure projects. Its products include Industrial explosives, industrial detonators, and industrial cables.	Mining-Related Engineering Business (72.08%)	97.6%	Shanghai Stock Exchange
4	Explosive Co., Ltd.	002096-CN	Explosive Co., Ltd. engages in the production, research, development and sale of civil explosive equipment, military products as well as the provision of engineering blasting services. It also offers blasting works and contracting services.	Mining-Related Engineering Business (100%)	92.8%	Shenzhen Stock Exchange

No.	Company Name	Company Ticker	Description	Revenue Segment	Geographic Segment (Revenue from China)	Stock Exchange
5	Tibet Gaozheng Explosive Co. Ltd.	002827-CN	Tibet Gaozheng Explosive Co., Ltd. engages in the production, distribution, and sale of explosive products. It also provides explosive storage and transportation services. It offers industrial explosives, industrial detonators and cables, and civil explosive equipment.	Mining-Related Engineering Business (74.64%)	100%	Shenzhen Stock Exchange

Source: FactSet

The Independent Valuer utilized the median EV/EBITDA multiple from the set of Comparable Companies, as opposed to the average, for the following reasons:

- **Robustness Against Outliers:** The median is less sensitive to extreme values or outliers within the data set. In valuation, outliers can arise from companies with unique capital structures, one-time events, or significantly different growth prospects that are not representative of the broader industry. Using the median mitigates the risk of the selected multiple being unduly skewed by such atypical data points, providing a more stable and central measure of the prevailing market valuation.
- **Common Valuation Practice:** The use of the median is a widely accepted and conservative practice in comparable company analysis within the valuation profession. It is often considered to provide a more reliable indicator of the “typical” market multiple for a group of companies.
- **Data Set Characteristics:** The size-adjusted last twelve months EV/EBITDA multiples for the five Comparable Companies were 5.98x, 4.37x, 6.57x, 5.87x, and 8.36x. The calculated median of this set is 5.98x. The average of this set is approximately 6.23x. While both the median and the average in this instance fall within a reasonable range and yield similar results, the Board and the Independent Valuer consider the median to be the more statistically robust and commonly applied measure for the reasons stated above. Its use represents a prudent and methodologically sound choice.

The valuation report prepared by the Independent Valuer has been reviewed by the Board to assist the determination of the consideration of the Consideration Shares. The Board have discussed with the Independent Valuer in respect of the methodology of, bases and assumptions adopted for the valuation to arrive at the valuation of the Target Company. In assessing the fairness and reasonableness of the appraised value of the Target Company, the Board understands that the Independent Valuer had considered three approaches that are generally accepted in business valuation, namely (i) the cost approach, (ii) the income approach and (iii) the market approach.

The Board concur with the Independent Valuer's view that the market approach is the most appropriate valuation approach to determine the value of the Target Company, as it is a commonly accepted valuation method which reflects market expectations for the corresponding industry by considering price multiples of comparable companies derived from market consensus. Since there are sufficient comparable public companies in similar industries and business models as the Target Company, their market values serve as good indicators of the industry of the mining-related engineering business. The Board agrees that cost approach is not appropriate because it assumed the assets and liabilities of the Target Company are separable and can be sold separately, and the cost approach is more appropriate for the industry that their assets are highly liquid, like property development and financial institution. The Board also considers that the income approach is inappropriate in the circumstances because if the income approach was adopted, plenty of assumptions would be involved in formulating the financial projection of the Target Company, and the assumptions might not be able to reflect the uncertainties in the future performance of the Target Company. Mining-related engineering markets are volatile, making the estimation of future cash flows uncertain and reliant on conjecture. Since improper assumptions will impose a significant impact on the fair value, the Board agrees that the income approach is not adopted in this valuation.

Furthermore, the Board understands from the Independent Valuer that significant effort was undertaken to identify appropriate comparable companies through publicly available sources. Having reviewed the selected comparable companies, the Board notes that their principal business activities are in mining engineering related services, with a substantial portion (over 50%) of their revenues derived from such activities. Therefore, the companies selected possess suitably similar operational and geographical characteristics to the Target Company and constitute a fair and representative peer group for comparative analysis. The Board also agrees that using the EV/EBITDA multiple is appropriate. EBITDA is a key indicator of core operating profitability for capital-intensive service businesses, and the EV/EBITDA multiple effectively neutralizes the effects of different capital structures and depreciation policies among peers. As the size-adjusted EV/EBITDA multiples of the comparable companies showed a range of values, the Board considers the adoption of the median multiple to be a reasonable, prudent, and commonly accepted practice to mitigate the influence of potential outliers.

Additionally, the Board recognizes that ownership interests in closely held private companies are typically less marketable than similar interests in publicly listed companies. Consequently, a share in a privately held company is usually worth less than a comparable share in a public company. In this regard, the Board concurs with the Independent Valuer's view that it is appropriate to apply a lack of marketability discount, considering the privately held nature of the Target Company. Moreover, the control premium adjustment accounts for the value of acquiring a controlling interest. Since the EV/EBITDA multiples used in the valuation were derived from publicly listed companies and inherently reflect minority, non-controlling ownership interests, the Board believes it is suitable to apply a control premium to reflect the value of obtaining a controlling stake in the Target Company through this Acquisition.

The Board concurred with the Independent Valuer's view that the bases, valuation methodology, selection basis of comparable companies, adjustments for lack of marketability and control premium and limiting conditions and assumptions adopted in the valuation are appropriate under the current circumstances. The Board is of the view that the valuation of 100% equity interest in the Target Company as at 31 August 2025 has been prepared after due and careful enquiry, and after considering the overall virtual asset market condition. The Board considers that such valuation is fair and reasonable.

### **Information on Target Group**

As mentioned in the Announcement, the Project Company is a company incorporated in the PRC with limited liability and the equity interest of which is owned as to 53% by the Immediate Holding Company and 47% owned by Xian Qianyi. Xian Qianyi is principally engaged in investment holding.

Xian Qianyi is (i) 35% owned as to by Xiamen Jingyirong Mining Co., Ltd.\* (廈門市景鈺榮礦業有限公司) (“**Xiamen Jingyirong**”); (ii) 25% owned as to by Xian Guanghong Enterprise Management Co., Ltd.\* (西安廣宏企業管理有限公司) (“**Xian Guanghong**”); (iii) 25% owned as to by Shaanxi Yangkai Enterprise Management Consulting Co., Ltd. (陝西陽鏜企業管理諮詢有限公司) (“**Shaanxi Yangkai**”); and (iv) 15% owned as to by Shandong Beikuang Grouting Engineering Technology Co., Ltd.\* (山東北礦注漿工程科技有限公司) (“**Shandong Beikuang**”).

Xiamen Jingyirong is 98% owned as to by Mr. Huang and 2% owed as to by Huang, Yuexiang (黃躍湘). Xian Guanghong is wholly owed by Wang, Jiying (王吉英). Shaanxi Yangkai is 99% owed as to by Mr. Jin and 1% as to by Mou, Bibo (牟畢波). Shandong Beikuang is 95% owed as to by Liu, Qingguo (劉慶國) and 5% owed as to by Zhao Yingzhu (趙英竹).

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Xian Qianyi, Xiamen Jingyirong, Xian Guanghong, Shaanxi Yangkai and Shandong Beikuang and its ultimate beneficial owner is an Independent Third Party.

The Company would like to clarify that there is an inadvertent typographical error under the section “Target Group” on page 13 of the English version of the Announcement and page 13 of the Chinese version of the Announcement. The Immediate Holding Company is a company incorporated in the PRC with limited liability and the entire equity interest of which is owned by WFOE, instead of the Project Company.

Save as disclosed as above, all other information as set out in the Announcement remain unchanged and shall continue to be valid for all purposes, while this announcement is supplemental to and should be read in conjunction with the Announcement.

By order of the Board  
**Tongguan Gold Group Limited**  
**Jiang Zhiyong**  
*Chairman and Executive Director*

Hong Kong, 30 December 2025

*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.*

\* *For identification purpose only.*