

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Wanguo International Mining Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3939)

DISCLOSABLE AND CONNECTED TRANSACTION ACQUISITION OF 51% EQUITY INTEREST IN XIZANG CHANGDU COUNTY DADI MINING COMPANY LIMITED

Reference is made to the announcement of the Company dated 30 October 2013, (the “Announcement”) in relation to the acquisition of 51% equity interest in Xizang Changdu, which owns the exploration right of Walege lead-mine of Changdu County, Tibet Autonomous Region, the PRC. Unless the context requires otherwise, terms defined in this announcements shall have the same meanings when used herein.

THE ACQUISITION

The Board is pleased to announce that on 16 May 2014, Yifeng Wanguo and HK Taylor, both being the wholly-owned subsidiaries of the Company, entered into two Acquisition Agreements with the Vendors pursuant to which Yifeng Wanguo and HK Taylor have conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of 51% equity interests in Xizang Changdu in the consideration of RMB239.7 million in aggregate.

Completion is subject to fulfilment of the conditions precedent as set out below.

LISTING RULES IMPLICATIONS ON THE ACQUISITION

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, given that Mr. Wen Baolin, one of the Vendors, is a non-executive Director of the Company, the Acquisition would constitute a connected transaction as defined in the Listing Rules. The Acquisition is therefore subject to the approval by the Independent Shareholders.

The Independent Board Committee has been formed to provide recommendation to the Independent Shareholders in relation to the Acquisition Agreement and the transactions contemplated thereunder. South China Capital Limited, an independent financial adviser, has been appointed to advise the Independent

Board Committee and the Independent Shareholders in this regard.

SHAREHOLDERS' MEETING WAIVER

No Shareholder has any material interest in the Acquisition, no Shareholder would be required to abstain from voting at EGM of the Company (if one was convened) convened to approve the Acquisition. Pursuant to the Rule 14A.43 of the Listing Rules, the Company has obtained a written approval (in lieu of holding a general meeting of the Company) regarding the Acquisition from Victor Soar and Achieve Ample, collectively being the holders of 450,000,000 Shares, representing 75% of the issued share capital of the Company as at the date of this announcement. Victor Soar is a company wholly-owned and controlled by Mr. Gao Mingqing, owns 50.25% interest of the Company. Achieve Ample is a company wholly-owned and controlled by Ms. Gao Jinzhu, owns 24.75% interest of the Company. Both Mr. Gao Mingqing and Ms Gao Jinzhu are Directors of the Company.

Accordingly, no EGM of the Company will be convened for the purposes of considering and approving the Acquisition.

The Company expects that a circular containing, among other things, (i) details of the Acquisition Agreements; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) other information as required under the Listing Rules (the "Circular") will be dispatched to the Shareholders as soon as possible.

Reference is made to the Announcement.

The Board is pleased to announce that on 16 May 2014, Yifeng Wanguo and HK Taylor, both being the wholly-owned subsidiaries of the Company, entered into two Acquisition Agreements with the Vendors pursuant to which Yifeng Wanguo and HK Taylor have conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of 51% equity interests in Xizang Changdu in the consideration of RMB239.7 million in aggregate.

Particulars of the Acquisition Agreements are described as follows.

Acquisition Agreement (1)

Date: 16 May 2014

Parties: Vendors: Mr. Liu Dingbo, Mr. Yang Zhi and Mr. Wen Baolin own the equity interests in Xizang Changdu of 30.3460%, 55.0079% and 14.6461% respectively.

At the date of this announcement, Mr. Wen Baolin is a non-executive Director of the Company and is regarded as connected person under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Liu Dingbo and Mr. Yang Zhi are third

parties independent of the Company and connected persons of the Company.

Purchaser: Yifeng Wanguo

**Assets
involved**

Mr. Liu Dingbo, Mr. Yang Zhi and Mr. Wen Baolin agreed to transfer the equity interests in Xizang Changdu in the percentage of 8.8929%, 4.0809% and 3.0262% respectively to Yifeng Wanguo .

Consideration:

The consideration is RMB75.2 million (or 31.37% of total consideration) and will be funded by internal resources and/or bank borrowings.

The consideration shall be by payable by cash by Yifeng Wanguo within 10 Business Days after the fulfilment of the conditions precedent.

The deposit of RMB9.6 million paid will be refunded to Yifeng Wanguo and settle the said consideration.

Acquisition Agreement (2)

Date:

16 May 2014

Parties:

Vendors: Mr. Liu Dingbo, Mr. Yang Zhi and Mr. Wen Baolin own the equity interest of Xizang Changdu of 30.3460%, 55.0079% and 14.6461% respectively. At the date of this announcement, Mr. Wen Baolin is a non-executive Director of the Company and is regarded as connected person under the Listing Rules.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Mr. Liu Dingbo and Mr. Yang Zhi are third parties independent of the Company and connected persons of the Company.

Purchaser: HK Taylor

**Assets
involved**

Mr. Liu Dingbo, Mr. Yang Zhi and Mr. Wen Baolin agreed to transfer the equity interests in Xizang Changdu in the percentage of 21.4531%, 5.9270% and 7.6199% respectively to HK Taylor.

Consideration:

The consideration is RMB164.5 million (or 68.63% of total consideration) and will be funded by internal resources, bank borrowings or issuance of convertible bonds.

This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the

securities. Application will be made to the Exchange for the listing of and permission to deal in the securities.

The consideration shall be payable by HK Taylor as follows:

1. RMB90.475 million shall be payable within one months after the fulfilment of the conditions precedent; and
2. RMB74.025 million shall be payable within two months after the fulfilment of the conditions precedent or on 30 September 2014 the latest.

The total Consideration of RMB239.7 million was determined between the Company and the Vendors on an arm's length basis with reference to the anticipated level of mineral reserves, production and life of the mine at Xizang Changdu. The Group has engaged an independent professional geological consulting firm to provide an Independent Technical Valuation of Xizang Changdu by use of an empirical method to derive a range of values under Valmin Code (2005) Guidelines. The preliminary valuation was US\$55.1m (or approximately RMB341.6m) for the purpose of transfer of 51% of equity interest of Xizang Changdu.

No guarantee or other security was given or required as part of or in connection with the transaction. There are no restrictions which apply to the subsequent sale of the acquired equity interests in Xizang Changdu.

The Board (other than the independent non-executive Directors whose view will be included in the Circular after being advised by the independent financial adviser) is of the view that the terms of the Acquisition Agreements (including the Consideration) is fair and reasonable.

CONDITIONS PRECEDENT

Completion shall be conditional upon:

- a) The completion and execution of all documents as required by applicable laws in respect of this Acquisition;
- b) All other necessary consent(s) from third parties (including governmental or official or regulatory authorities) and all other necessary consents and approvals required pursuant to any legal or regulatory requirement in respect of the transactions contemplated under the Acquisition Agreements having been obtained;
- c) The passing of the necessary resolution(s) by the Independent Shareholders (Note: No EGM is needed) to approve the Acquisition Agreements and the transactions contemplated thereunder;
- d) The Company being satisfied with the results of the due diligence review, including but not limited geology report, valuation report and other relevant reports to be conducted on Xizang Changdu;
- e) Appointment of new directors of Xizang Changdu pursuant to its new articles, and completion of registration with competent authorities of Ministry of Commerce and Administration For Industry and Commerce;

- f) The Company being satisfied with the results of audit of Xizang Changdu;
- g) Notification to the Company by the Vendors of the completion of assets realization account opening, including the account information, pursuant to the applicable laws;
- h) The warranties as set out in the Acquisition Agreements remaining true and accurate and not misleading in any respect as at the Date of Acquisition Agreements and the date of Completion and fulfilment of the duties as stipulated in the Articles of Xizang Changdu; and
- i) No material adverse events occurred or may be occurred on or before Completion.

COMPLETION

Completion shall take place on the Business Day after the fulfilment of the conditions precedents or such other date as the Company may agree.

Upon Completion, Xizang Changdu will become an indirect subsidiary of the Company owning 51% of its equity interests.

INFORMATION ABOUT XIZANG CHANGDU

Based on the information provided by the Vendors, Xizang Changdu, is a company incorporated in PRC on 20 November 2008 with limited liability. As of the date of this announcement, it has a registered capital of RMB30 million which is fully contributed by cash. Xizang Changdu is engaged in exploration of lead ore resources and owns the Walege lead-mine of Changdu exploration right (certificate number T54120080802013385) issued by the Land Resources Bureau of Tibet Autonomous Region, the PRC.

The exploration right of Xizang Changdu covers an area for exploration of approximately 21.87 sq. km. As of the date of Acquisition Agreement, it had completed advanced exploration stage. The following table shows the estimated resources of Xizang Changdu under JORC code.

2014 Mineral Resources estimate					
Grade Tonnage Reported above a Cut-off Grade of 2.5% Pb					
Category	Tonnes (Mt)	Grade (Pb %)	Ag (g/t)	Lead Metal (1,000t)	Silver Metal (1,000Kg)
Indicated	6.70	4.64	63.34	311	424
Inferred	10.62	4.15	45.32	440	481
Totals	17.31	4.34	52.29	751	905

As at the date of this announcement, Xizang Changdu has not yet commenced any production. Pursuant to pre-feasibility report performed by Geology and Mineral Resource Company of Jiangxi Province (江西省地礦資源勘察開發有限公司), an independent professional mining consulting firm, it is expected to complete processing plants and commence production at Xizang Changdu within three years. Set out below is the financial information of Xizang Changdu based on its unaudited management accounts for the two years ended 31 December 2013.

	Year ended 31 December	
	2012	2013
	RMB'000	RMB'000
Loss for the year	1,404	404
Net assets	35,155	70,551

INFORMATION ABOUT OUR GROUP AND REASON FOR THE ACQUISITION AND EXPECTED BENEFITS TO THE GROUP

Our Group is principally engaged in the business of mining, ore processing and sales of concentrates in the PRC. As disclosed in our prospectus dated 28 June 2012, one of our growth strategies is to expand our mineral resources and ore reserves through acquisition of new mines.

Since Xizang Changdu has substantial reserves of lead and silver, it is expected to be further exploited, and processing plants built upon Completion by the Company and to contribute sales revenue and profits to the Group.

We have carefully considered and balanced assessment criteria, the Acquisition, through Yifeng Wanguo and HK Taylor (both are indirectly wholly-owned subsidiaries of our Group) is a view to further growing our business and maximizing returns to our Shareholders.

RECOMMENDATION

The Directors (other than the independent non-executive Directors whose view will be included in the Circular after being advised by the independent financial adviser) consider that the terms and conditions of the Acquisition and the transactions contemplated thereunder are fair and reasonable and in the best interest of the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to approve the Acquisition.

The Independent Board Committee has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Acquisition Agreement and the transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS ON THE ACQUISITION

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules. In addition, given that Mr. Wen Baolin, one of the Vendors, is a non-executive Director of the Company, the Acquisition would constitute a connected transaction as defined in the Listing Rules. The Acquisition is therefore subject to the approval by the Independent Shareholders.

The Independent Board Committee has been formed to provide recommendation to the Independent Shareholders in relation to the Acquisition Agreement and the transactions contemplated thereunder. South China Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

SHAREHOLDERS' MEETING WAIVER

No Shareholder has any material interest in the Acquisition, no Shareholder would be required to abstain from voting at EGM of the Company (if one was convened) convened to approve the Acquisition. Pursuant to the Rule 14A.43 of the Listing Rules, the Company has obtained a written approval (in lieu of holding a general meeting of the Company) regarding the Acquisition from Victor Soar and Achieve Ample, collectively being the holders of 450,000,000 Shares, representing 75% of the issued share capital of the Company as at the date of this announcement. Victor Soar is a company wholly-owned and controlled by Mr. Gao Mingqing, owns 50.25% interest of the Company. Achieve Ample is a company wholly-owned and controlled by Ms. Gao Jinzhu, owns 24.75% interest of the Company. Both Mr. Gao Mingqing and Ms Gao Jinzhu are Directors of the Company.

Accordingly, no EGM of the Company will be convened for the purposes of considering and approving the Acquisition.

The Company expects that a circular containing, among other things, (i) details of the Acquisition Agreements; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from an independent financial adviser to the Independent Board Committee and the Independent Shareholders; and (iv) other information as required under the Listing Rules will be dispatched to the Shareholders as soon as possible.

By the order of the Board
Wanguo International Mining Group Limited
Gao Mingqing
Chairman

Hong Kong, 16 May 2014

As at the date of this announcement, the executive Directors are Mr. Gao Mingqing, Ms. Gao Jinzhu, Mr. Xie Yaolin and Mr. Liu Zhichun; the non-executive Directors are Mr. Li Kwok Ping, Mr. Lee Hung Yuen and Mr. Wen Baolin; and the independent non-executive Directors are Dr. Lu Jian Zhong, Mr. Qi Yang, Mr. Shen Peng and Mr. Li Hongchang.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

“Achieve Ample”	Achieve Ample Investments Limited, a company incorporated in the BVI as a limited liability company on 10 March 2011, which is wholly-owned by Ms Gao Jinzhu. It is interested in 148,500,000 Shares, representing 24.75% of the total issued share capital of the Company.
“Acquisition”	Acquisition of 51% equity interest of Xizang Changdu County Dadi Mining Company Limited
“Acquisition Agreement(s)”	the equity transfer agreement(s) dated 16 May 2014 entered into between the Purchaser and the Vendors in relation to the Acquisition
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors of the Company
“Business Day(s)”	a day (other than a Saturday or any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Wanguo International Mining Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the aggregate consideration of RMB239.7 million for the sale and purchase of 51% equity interest in Xizang Changdu under the equity transfer agreements
“Date of Acquisition Agreements”	16 May 2014, being date of Acquisition Agreements signed
“Director(s)”	director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be held to consider and if thought fit, to approve the Acquisition Agreements and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK Taylor”	Taylor Investment International Limited, a company incorporated in Hong Kong on 14 August 2006 with limited liability, which is our indirectly wholly-owned subsidiary
“Independent Board Committee”	the independent committee of the Board comprising all independent non-executive Directors established to provide recommendation to the Independent Shareholders in relation to the Acquisition Agreements and the transactions contemplated thereunder
“Independent Shareholders”	the Shareholders other than the Vendors and its associates and those who have no material interest in the Acquisition Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“South China Capital Limited”	South China Capital Limited, a licensed corporation under the SFO permitted to carry out Type 6 (advising on corporate finance) regulated activities for the purpose of the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders regarding the Acquisition Agreement and the transactions contemplated thereunder

“Vendors”	Mr. Liu Dingbo, Mr. Yang Zhi and Mr. Wen Baolin
“Victor Soar”	Victor Soar Investments Limited, a company incorporated in the BVI as a limited liability company on 10 March 2011, which is wholly-owned by Mr. Gao Mingqing. It is a controlling shareholder, and is interested in 301,500,000 Shares, representing approximately 50.25% of the total issued share capital of the Company
“Xizang Changdu”	Xizang Changdu County Dadi Mining Company Limited (西藏昌都縣烜地礦業有限公司), a company incorporated in PRC on 20 November 2008 with limited liability
“Yifeng Wanguo”	Jiangxi Province Yifeng Wanguo Mining Co., Limited (江西省宜豐萬國礦業有限公司), a limited liability company established in the PRC on 26 November 2003, which is our indirectly wholly-owned subsidiary
“%”	Per cent