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## **Wanguo International Mining Group Limited**

**萬國國際礦業集團有限公司**

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

**(Stock code: 3939)**

### **ESTABLISHMENT OF THE JV COMPANY**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

#### **FORMATION OF THE JV COMPANY**

The Board is pleased to announce that on 1 June 2017 (after trading hours), Mega Harvest, an indirect wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Daye Runyang and Able Harvest in relation to the establishment of the JV Company in Daye City, Hubei Province, the PRC with a registered capital of RMB10,000,000. Pursuant to the terms of the Joint Venture Agreement, Mega Harvest, Daye Runyang and Able Harvest will contribute RMB5,500,000, RMB4,200,000 and RMB300,000 respectively to the registered capital of the JV Company which will be owned as to 55% by Mega Harvest, 42% by Daye Runyang and 3% by Able Harvest.

#### **IMPLICATIONS UNDER THE LISTING RULES**

As each of the applicable percentage ratios in respect of the transactions contemplated under the Joint Venture Agreement is below 5%, the transactions contemplated under the Joint Venture Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

## **INTRODUCTION**

The Board is pleased to announce that on 1 June 2017 (after trading hours), Mega Harvest, an indirect wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Daye Runyang and Able Harvest relation to the establishment of the JV Company in Daye City, Hubei Province, the PRC with a registered capital of RMB10,000,000. Pursuant to the terms of the Joint Venture Agreement, Mega Harvest, Daye Runyang and Able Harvest will contribute RMB5,500,000, RMB4,200,000 and RMB300,000 respectively to the registered capital of the JV Company which will be owned as to 55% by Mega Harvest, 42% by Daye Runyang and 3% by Able Harvest. .

## **JOINT VENTURE AGREEMENT**

### **Date**

1 June 2017

### **Parties**

- (1) Mega Harvest;
- (2) Daye Runyang; and
- (3) Able Harvest

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, Daye Runyang and Able Harvest and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

### **Scope of business**

The JV Company will be principally engaged in the development, production and sale of new materials; mining, processing and sale of non-metals resources; production and sale of energy saving environmentally friendly products and environmental protection treatments; manufacturing of transportation equipment and public works as well as import and export of goods and technology.

### **The registered capital and amount of capital contributions**

Pursuant to the Joint Venture Agreement, the registered capital of the JV Company will be RMB10,000,000, of which Mega Harvest, Daye Runyang and Able Harvest will contribute RMB5,500,000, RMB4,200,000 and RMB300,000 respectively. The JV Company will be owned as to 55% by Mega Harvest, 42% by Daye Runyang and 3% by Able Harvest respectively.

### **Term of the JV Company**

The term of the JV Company shall be 30 years commencing from the date of establishment of the JV Company as shown on its business licence. Should the parties to the JV Agreement decide to extend such term, application for such extension shall be made to the original approval authority of the JV Company at least six months before the expiry date of the term.

### **The board composition and management structure**

The board (the “**JV Board**”) of directors of the JV Company will comprise five members. Mega Harvest is entitled to nominate three directors and Daye Runyang is entitled to nominate two directors. The chairman (the “**JV Chairman**”), who will also act as the legal representative of the JV Company, shall be a director nominated by Mega Harvest.

The composition of the senior management of the JV Company will include a general manager and several deputy general managers if necessary. The general manager shall be nominated by the JV Chairman. The deputy general managers and other senior management are nominated by the general manager and approved by the JV Board.

### **The supervisory committee composition**

No supervisory committee of the JV Company will be setup. Daye Runyang is entitled to nominate a supervisor of the JV Company.

### **INFORMATION ON DAYE RUNYANG**

Daye Runyang is a company established in the PRC with limited liability and is principally engaged in sales of minerals.

### **INFORMATION ON ABLE HARVEST**

Able Harvest is a company established in Hong Kong with limited liability and is principally engaged in investment holding.

### **INFORMATION ON THE GROUP**

The Company is an investment holding company. The Group is principally engaged in the business of mining, ore processing and sale of concentrates products in the PRC.

Mega Harvest is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. Mega Harvest is an investment holding company.

### **REASONS FOR AND BENEFITS OF THE JOINT VENTURE AGREEMENT**

The Company is an investment holding company whose subsidiaries are principally engaged in the business of mining, ore processing and sale of concentrates products in the PRC. It is intended that the JV Company will be principally engaged in the business of mining, processing and sales of limestone products which the Directors believe will diversify the existing business of the Group and to explore new markets with significant growth potential and thereby increasing the Group’s revenue and profit. Through the Joint Venture Agreement, the Company can leverage on the network and expertise of Daye Runyang and Able Harvest with the view to developing the sales channels for the non-metal related products and to diversify its business and enhance the long-term growth potential of the Company and its Shareholders’ value.

After considering the above factors, the Directors are of the view that the Joint Venture Agreement and total expected investment cost to be paid by the Company were on normal commercial terms and the terms of the Joint Venture Agreement are fair and reasonable and are in the interests of the Company and its Shareholders as a whole.

### **IMPLICATIONS UNDER THE LISTING RULES**

As each of the applicable percentage ratios in respect of the transactions contemplated under the Joint Venture Agreement is below 5%, the transactions contemplated under the Joint Venture Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the SFO.

### **DEFINITIONS**

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

|                       |  |
|-----------------------|--|
| “Able Harvest”        | Able Harvest International Development Limited (建豐國際發展有限公司), a company incorporated in Hong Kong on 27 March 2017 with limited liability, which is and whose ultimate beneficial owners are Independent Third Party(ies) |
| “Board”               | the board of Directors   |
| “Business Day(s)”     | any calendar day (excluding Saturday, Sunday and the statutory public holiday) on which banks are open for general business in the PRC and Hong Kong   |
| “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                            |
| “connected person(s)” | has the meaning ascribed thereto under the Listing Rules   |
| “Daye Runyang”        | Daye Runyang Mining Company Limited* (大冶潤陽礦業有限公司), a company established in PRC on 18 March 2011 with limited liability, which is and whose ultimate beneficial owners are Independent Third Party(ies)                  |
| “Director(s)”         | director(s) of the Company   |
| “Group”               | the Company and its subsidiaries   |

|                                |   |
|--------------------------------|---|
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the People's Republic of China   |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with the Company and its connected persons  |
| “Joint Venture Agreement”      | the joint venture agreement dated 1 June 2017 and entered into among Mega Harvest, Daye Runyang and Able Harvest in relation to the establishment of the JV Company                                       |
| “JV Company”                   | Hubei Wanguo New Materials Technology Company Limited* (湖北萬國新材料科技有限公司), a limited liability company to be established by the parties to the Joint Venture Agreement in Daye City, Hubei Province, the PRC |
| “Listing Rules”                | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Mega Harvest”                 | Mega Harvest International Development Limited (萬豐國際發展有限公司), a company incorporated in Hong Kong on 27 March 2017 with limited liability, which is an indirectly wholly owned subsidiary of the Company   |
| “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 the PRC  |
| “Share(s)”                     | ordinary share(s) of HK\$0.10 each in the share capital of the Company  |
| “Shareholder(s)”               | holder(s) of Share(s)   |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |
| “%”                            | per cent  |

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

Hong Kong, 9 June 2017

*As at the date of this announcement, the Board comprises Mr. Gao Mingqing (Chairman), Ms. Gao Jinzhu, Mr. Xie Yaolin and Mr. Liu Zhichun as executive Directors; Mr. Li Kwok Ping and Mr. Lee Hung Yuen as non-executive Directors; and Dr. Lu Jian Zhong, Mr. Qi Yan and Mr. Shen Peng as independent non-executive Directors.*

\* *For identification purposes only*