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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)**

**ANNOUNCEMENT  
PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,  
RULE 13.09 OF THE LISTING RULES  
AND THE INSIDE INFORMATION PROVISIONS  
UNDER PART XIVA OF THE SECURITIES AND FUTURES  
ORDINANCE  
AND  
RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 14 November 2018 in respect of the trading halt in the Shares pending the release of an announcement pursuant to the Takeovers Code and containing certain inside information of the Company.

### **THE MOU**

On 14 November 2018, the Company, the Selling Shareholders and the Potential Buyer entered into the MOU in respect of the Possible Disposal and the Possible Subscription.

The principal terms of the MOU are as follows:

**Parties:**

- a) the Company;
- b) Victor Soar, being the Selling Shareholder;
- c) Achieve Ample, being the Selling Shareholder; and
- d) the Potential Buyer

The ultimate beneficial owner of Victor Soar is Mr. Gao Mingqing, who controls 100% of the shares in Victor Soar. The ultimate beneficial owner of Achieve Ample is Ms. Gao Jinzhu, who controls 100% of the shares in Achieve Ample.

**Possible Disposal**

Pursuant to the MOU, the Selling Shareholders intend to sell an aggregate of 80,000,000 Shares, representing approximately 11.11% of the total number of issued Shares as at the date of this announcement, to the Potential Buyer. Victor Soar and Achieve Ample intend to sell 49,200,000 Shares and 30,800,000 Shares respectively, representing approximately 6.83% and 4.28% of the total number of issued Shares as at the date of this announcement, to the Potential Buyer.

The Potential Buyer also intends to acquire from Cheng Tun 70,000,000 Shares, representing approximately 9.72% of the entire issued share capital of the Company as at the date of this announcement. The ultimate beneficial owner of Cheng Tun is Chengtun Mining Group Co., Ltd., a company listed on Shanghai Stock Exchange with stock code: 600711. At the date of this announcement, the negotiations are still in the progress and no memorandum of understanding and/or formal sale and purchase agreement has been entered into with Cheng Tun.

**Possible Subscription**

Pursuant to the MOU, the Company intends to issue 232,000,000 Shares (representing 32.22% of the entire issued share capital of the Company and 24.37% of the enlarged issued share capital of the Company) to be subscribed by the Potential Buyer.

The Possible Disposal and the Possible Subscription, if materialise, would result in 40.126% interests being owned by the Potential Buyer, and this may lead to a change in control of the Company and a mandatory general offer under the Takeovers Code for all the issued Shares (other than those already owned by or agreed to be acquired by the Potential Buyer or parties acting in concert with them).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Potential Buyer and its ultimate beneficial owners are third parties independent to and not connected with the Company and its connected persons.

## **Formal Agreements and Due Diligence**

The parties to the MOU intend to negotiate in good faith in order to procure that the Formal Agreements can be entered into within forty (40) days from the date of the MOU or such later date as may be agreed by the parties.

The Potential Buyer shall conduct such due diligence on the assets, liabilities, businesses and operations of the Group after the entering into of the MOU.

It is contemplated that the Possible Disposal and the Possible Subscription shall be subject to a number of conditions, including but not limited to the following conditions precedent:

- a) the Potential Buyer being reasonably satisfied with the due diligence results of the Group; and
- b) the Board's approval, the Independent Board Committee's approval and the Shareholders' approval in relation to the Possible Subscription contemplated under the MOU.

## **Exclusivity**

The Selling Shareholders agreed not to sign any transfer or cooperation agreement with other third parties up to 31 December 2018 from the date of the MOU.

Each of the Selling Shareholders agreed that within one (1) year from the date of the MOU, it will not directly or indirectly enter into any (or continue any existing) negotiations with any person or company (other than the Potential Buyer) for the sale of any Sale Shares and/or issue of the Subscription Shares, and it will procure its group members (where applicable) not to, directly or indirectly through any associated company, senior management, directors, agents, consultants or any other persons to enter into the said negotiations.

## **Binding effect of the MOU**

The MOU (save for the clauses relating to exclusivity period, governing law and confidentiality obligations) is not legally binding on the parties thereto.

The Possible Disposal and the Possible Subscription are therefore subject to the execution and completion of the Formal Agreements. If the Formal Agreements are entered into the Company will comply with the relevant requirements under the Listing Rules and the Takeovers Code.

## **POSSIBLE GENERAL OFFER**

Subject to the Formal Agreements being entered into and the satisfaction or waiver (as the case maybe) of such conditions precedent to completion as may be specified therein, it is contemplated that upon completion of the Possible Disposal and the Possible Subscription, the Potential Buyer and parties acting in concert with it will hold approximately 40.126% of the enlarged issued share capital of the Company.

In accordance with the requirement of the Takeovers Code, if the Possible Disposal and the Possible Subscription materialise and are completed, the Potential Buyer will be required to make a mandatory offer for all the issued Shares (other than those already owned or agreed to be acquired by the Potential Buyer and parties acting in concert with it) under Rule 26.1 of the Takeovers Code.

As at the date of this announcement, no Formal Agreements has been entered into in respect of the Possible Disposal and/or the Possible Subscription and the negotiations are still in progress and the Possible Disposal and/or the Possible Subscription may or may not proceed.

## **SECURITIES OF THE COMPANY**

As at the date of this announcement, the Company has a total of 720,000,000 Shares in issue. Save for the aforesaid, there are no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue.

As at the date of this announcement, Victor Soar, Achieve Ample and Cheng Tun hold 281,400,000 Shares, 138,600,000 Shares and 120,000,000 Shares, representing approximately 39.08%, 19.25% and 16.67% of the total number of issued Shares.

In view of complying with the public float requirement, Victor Soar and Achieve Ample intend to dispose of 6,300,000 Shares and 2,500,000 Shares before the completion of the Possible Disposal and the Possible Subscription. At this moment, the precise disposal mechanism has not been finalised yet. A placing agent is likely to be appointed to assist the Company to maintain its public float.

Upon the completion of the Possible Disposal and the Possible Subscription, Victor Soar, Achieve Ample and Cheng Tun will hold 225,900,000 Shares, 105,300,000 Shares and 50,000,000 Shares, representing 23.73%, 11.06% and 5.25% of the total number of enlarged issued Shares.

## **MONTHLY UPDATE**

In compliance with Rule 3.7 of the Takeovers Code, the Board will keep the market informed in compliance with the Listing Rules and the Takeovers Code and in particular by way of announcement on a monthly basis until the Company publishes an announcement of (i) a firm intention to make an offer under Rule 3.5 of the Takeovers Code; or (ii) a decision not to proceed with an offer is made.

## **DEALINGS DISCLOSURE**

For the purpose of the Takeovers Code, the offer period commences on the date of this announcement, being 19 November 2018. In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code which includes, among others, any person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Potential Buyer) are reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

***Responsibilities of stockbrokers, banks and other intermediaries***

*“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive (as defined in the Takeovers Code) in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive (as defined in the Takeovers Code) with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

**WARNINGS: There is no assurance that the Possible Disposal and the Possible Subscription will materialise or eventually be consummated and the relevant discussions may or may not lead to a general offer under Rule 26.1 of Takeovers Code. The Possible Disposal and the Possible Subscription may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).**

**RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 14 November 2018 pending the publication of this announcement. The Company has applied to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 November 2018.

## 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 with limited liability, which holds 138,600,000 Shares (representing 19.25% of the total number of issued Shares) as at the date of this announcement
“Board”	board of Directors
“BVI”	British Virgin Islands
“Cheng Tun”	Cheng Tun Prime Shine Limited, a company incorporated in BVI with limited liability, which holds 120,000,000 Shares (representing approximately 16.67% of the total number of issued Shares) as at the date of this announcement
“Company”	Wanguo International Mining Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Directors”	directors of the Company
“Due Diligence”	the due diligence to be conducted by the Potential Buyer on the Group
“Executive”	the Executive Director of the Corporate Finance Division of the SFC and any of his delegates
“Formal Agreement(s)”	the formal sale and purchase agreement to be entered into in relation to the Possible Disposal and the subscription agreement to be entered into in relation to the Possible Subscription
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“MOU”	the memorandum of understanding entered into on 14 November 2018 among the Company, Victor Soar, Achieve Ample, and the Potential Buyer in relation to the possible disposal of the 80,000,000 Shares from Victor Soar and Achieve Ample to the Potential Buyer and the Possible Subscription
“Possible Disposal”	the possible disposal of the 80,000,000 Shares from Victor Soar and Achieve Ample to the Potential Buyer pursuant to the MOU and possible disposal of 70,000,000 Shares from Cheng Tun to the Potential Buyer
“Possible Subscription”	the possible subscription of a new issue of 232,000,000 Shares from the Company to the Potential Buyer
“Potential Buyer”	the potential buyer of the Sale Shares and the Subscription Shares who is, to the best knowledge of the Board, an independent third party to and not connected with the Company and its connected persons
“Sale Shares”	the 80,000,000 Shares to be sold by Victor Soar and Achieve Ample to the Potential Buyer pursuant to the MOU
“SFC”	Securities and Futures Commission of Hong Kong
“Selling Shareholders”	Victor Soar and Achieve Ample, the term “Selling Shareholder” shall refer to any one of them
“Share(s)”	share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Shares”	the 232,000,000 newly issued Shares to be subscribed by the Potential Buyer pursuant to the MOU
“Takeover Code”	The Code on Takeovers and Mergers and Share Buy-backs published by the SFC

“Victor Soar”

Victor Soar Investments Limited, a company incorporated in BVI which holds 281,400,000 Shares (representing 39.08% of the total number of issued Shares) as at the date of this announcement

“%”

per cent.

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

Hong Kong, 19 November 2018

*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, Mr. Lee Hung Yuen and Ms. Iu Ching as non-executive Directors; and Dr. Lu Jian Zhong, Mr. Qi Yang, Mr. Shen Peng and Mr. Xiong Zeke as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*