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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)**

### **(1) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

### **(2) DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER**

#### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

On 29 December 2020 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Company agreed to issue and allot and the Subscriber agreed to subscribe for 108,000,000 Subscription Shares at the Subscription Price of HK\$2.18 per Subscription Share, on the terms and conditions provided in the Subscription Agreement.

The Subscription Price of HK\$2.18 per Subscription Share represents (i) a discount of approximately 0.91% to the closing price of HK\$2.20 per Share as quoted on the Stock Exchange on 29 December 2020, being the date of the Subscription Agreement; and (ii) a discount of approximately 2.24% to the average of the closing prices of HK\$2.23 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreement.

The Subscription Shares represent 15.00% of the existing issued share capital of the Company and approximately 13.04% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares. The Subscription Shares will be allotted and issued under the General Mandate.

#### **DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER**

The Board has been informed by Cheng Tun, a substantial shareholder of the Company that on 29 December 2020, Cheng Tun entered into the Share Transfer Agreement with the Subscriber pursuant to which Cheng Tun agreed to transfer 64,814,000 Shares to the Subscriber, representing (i) approximately 9.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.83% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription

Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of this announcement up to the date of completion of the Subscription).

Cheng Tun will cease to be a substantial shareholder of the Company immediately following the completion of the Disposal.

**Since the Subscription and the Disposal is subject to the conditions set out in each of the Subscription Agreement and the Share Transfer Agreement respectively, the Subscription and the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **(1) SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that on 29 December 2020 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company agreed to issue and the Subscriber agreed to subscribe for the Subscription Shares at the Subscription Price on the terms and conditions provided in the Subscription Agreement.

### **THE SUBSCRIPTION AGREEMENT**

#### **Date**

29 December 2020 (after trading hours)

#### **Parties**

Issuer : the Company

Subscriber : Shandong Humon Smelting Co., Ltd.\* (山東恒邦冶煉股份有限公司)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are Independent Third Parties. Based on information provided to the Company, the Subscriber is a company listed on the Shenzhen Stock Exchange (Stock code: 002237), and is principally engaged in gold and silver smelting, production and sales of electrolytic copper, cathode copper, lead ingots, non-ferrous metals, rare and precious metals and their products.

Immediately upon completion of the Subscription, the Subscriber will become a substantial shareholder of the Company.

#### **Subscription Shares**

108,000,000 Subscription Shares, representing 15.00% of the total issued share capital of the Company as at the date of this announcement and approximately 13.04% of the issued share capital of the Company as enlarged by the issue of the Subscription Shares.

The aggregate nominal value of the Subscription Shares is HK\$10,800,000.

## **Subscription Price**

The Subscription Price of the Subscription Shares is HK\$2.18 per Subscription Share:—

- (a) which is at approximately 0.91% discount to the closing price of the Shares of HK\$2.20 on 29 December 2020 (being the date of the Subscription Agreement); and
- (b) which is at approximately 2.24% discount to the average of the closing prices of HK\$2.23 per Share for the last five (5) consecutive trading days immediately prior to the date of the Subscription Agreement.

After deducting the relevant expenses of the Subscription, the net Subscription Price per Subscription Share is approximately HK\$2.18.

The Subscription Price was determined with reference to the prevailing market price of the Shares and after arm's length negotiation between the Company and the Subscriber. The Board considers that the terms of the Subscription Agreement (including the Subscription Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **Ranking of the Subscription Shares**

The Subscription Shares will be allotted and issued free from all encumbrances together with all rights attaching to them, and will rank *pari passu* with all other issued Shares in all respects as at the date of issue.

## **Conditions of the Subscription**

Completion of the Subscription is conditional on, among others, the following conditions being satisfied:-

- (a) the Subscriber having conducted and completed due diligence on all legal, financial and business matter of the Company, and the Company's mineral rights reserves, assets, business operation and liabilities remaining true, and there is no false, untrue or misleading situation in all material respects;
- (b) no change having occurred which has caused, causes or is likely to cause any material adverse effect on the Group's business operations, or on the allotment and issuance of the Subscription Shares under the General Mandate;
- (c) the internal procedures and board/shareholders' approvals for the Subscription having been obtained by the Subscriber;
- (d) the necessary approval from the State-owned Assets Supervision and Administration Department for the Subscription by the Subscriber having been obtained;
- (e) the necessary approval for overseas investment and foreign exchange remittance from the relevant domestic governmental or regulatory authorities by the Subscriber having been obtained;
- (f) the Listing Committee of the Stock Exchange granting to the listing of and permission to deal in, the Subscription Shares.

The Parties shall use all endeavours to procure the fulfilment of all the conditions above before the long stop date.

### **Completion of the Subscription**

Completion of the Subscription is expected to take place on the fifth business day following the conditions precedent to the Subscription being satisfied (or waived in accordance with the terms of the Subscription Agreement), or any other day mutually agreed by the Subscriber and the Company in writing.

### **Use of proceeds**

The gross proceeds from the Subscription Agreement are approximately HK\$235.4 million and the net proceeds from the Subscription to be received by the Company are approximately HK\$235.2 million after deducting the relevant expenses of the Subscription.

It is expected that 90% of the net proceeds will be used for funding of the project concerning the exploitation of the Gold Ridge Project in the Solomon Islands and 10% of the net proceeds will be used for general working capital of the Company.

### **Nomination of Director and Preferential Right to Purchase**

Subject to compliance with applicable laws and regulations (including but not limited to the Listing Rules) and the Articles, the Subscriber shall have the following rights: -

- (i) right to nominate one person to be appointed as an executive Director, and the Company shall use its best endeavours to take all necessary steps to give effect to such right of the Subscriber within 30 days after the Completion Date; and
- (ii) preferential right on the same conditions to purchase products from the operating mines of the Company, subject to formal agreement(s) to be entered into between the Company and the Subscriber and the obtaining of necessary approval(s).

### **Lock-up of the Subscription Shares**

During the period from the Completion Date until the day falling twelve (12) months after the Completion Date, the Subscriber shall not directly, or indirectly, sell or transfer any of the Subscription Shares.

### **General Mandate**

The Subscription Shares will be allotted and issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 26 June 2020. The Company was authorised to issue and allot 144,000,000 Shares, being 20% of the total number of issued Shares as at the date of the AGM. Since the date of the AGM and up to the date of this announcement, no new Shares have been allotted and issued by the Company under the General Mandate. Accordingly, the allotment and issuance of the Subscription Shares is not subject to the Shareholders' approval.

## **Application for listing**

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The Directors consider that the Subscription offers a good opportunity to raise additional funds to strengthen the financial position and broaden the capital base of the Group so as to facilitate its development of gold mine located in Solomon Islands. The Directors consider that the terms of the Subscription Agreement are fair and reasonable, on normal and commercial terms and are in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Company is an investment holding company whose subsidiaries are principally engaged in the business of mining, ore processing and sale of concentrates in the People's Republic of China.

## **EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

The Company has not raised any funds by way of issue of Shares in the past twelve months before the date of this announcement.

## **(2) DISPOSAL OF SHARES BY SUBSTANTIAL SHAREHOLDER**

The Board has been informed by Cheng Tun, a substantial shareholder of the Company that on 29 December 2020, Cheng Tun entered into the Share Transfer Agreement with the Subscriber pursuant to which Cheng Tun agreed to transfer 64,814,000 Shares to the Subscriber, representing (i) approximately 9.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.83% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the Subscription Shares since the date of this announcement up to the date of completion of the Subscription).

Cheng Tun will cease to be a substantial shareholder of the Company immediately following the completion of the Disposal.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after issuance of the Subscription Shares and (iii) immediately after issuance of the Subscription Shares and the completion of the Disposal (assuming there is no other change is issued share capital of the Company):

	As at the date of this announcement		Immediately after issuance of the Subscription Shares		Immediately after issuance of the Subscription Shares and completion of the Disposal	
	Shares	Approx. %	Shares	Approx. %	Shares	Approx. %
Victor Soar Investments Limited <sup>1</sup>	281,400,000	39.08	281,400,000	33.99	281,400,000	33.99
Achieve Ample Investments Limited <sup>2</sup>	138,600,000	19.25	138,600,000	16.74	138,600,000	16.74
Cheng Tun Prime Shine Limited <sup>3</sup>	116,510,000	16.18	116,510,000	14.07	51,696,000	6.24
Subscriber	-	-	108,000,000	13.04	172,814,000	20.87
Other public Shareholders	183,490,000	25.49	183,490,000	22.16	183,490,000	22.16
Total	720,000,000	100.00	828,000,000	100.00	828,000,000	100.00

- Victor Soar Investments Limited is wholly-owned and controlled by Mr. Gao Mingqing. Mr. Gao Mingqing is the Chairman and an executive Director.*
- Achieve Ample Investments Limited is wholly-owned and controlled by Ms. Gao Jinzhu. Ms. Gao Jinzhu is an executive Director.*
- Cheng Tun Prime Shine Limited is a wholly-owned subsidiary of Shenzhen Chengtun Equity Investments Company Limited (深圳盛屯股權投資有限公司), which in turn is wholly-owned by Chengtun Mining Group Co., Ltd., a company listed on Shanghai Stock Exchange with stock code: 600711.*

**Since the Subscription and Disposal is subject to the conditions set out in each of the Subscription Agreement and the Share Transfer Agreement respectively, the Subscription and the Disposal may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“AGM”	the annual general meeting of the Company held on 26 June 2020
“Articles”	the articles of association of the Company (as amended from time to time)
“Board”	the board of Directors
“Cheng Tun”	Cheng Tun Prime Shine Limited, a substantial shareholder of the Company 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 (stock code: 3939)
“Completion Date”	the fifth business day following the day on which the conditions precedent of the Subscription having been satisfied (or waived in accordance with the terms of this Agreement) or any other day mutually agreed by the Subscriber and the Company in writing
“connected person”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of 64,814,000 Shares by Cheng Tun to the Subscriber
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the AGM to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of the Securities on the Stock Exchange
“Long Stop Date”	within 40 business days from the date of the Subscription Agreement
“Parties”	the Company and the Subscriber
“Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company
“Share Transfer Agreement”	the share transfer agreement entered into between Cheng Tun and the Subscriber in respect of the Disposal
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subscriber”	Shandong Humon Smelting Co., Ltd.* (山東恒邦冶煉股份有限公司), a company established in the People’s Republic of China, the shares of which are listed on the Shenzhen Stock Exchange (Stock code: 002237)
“Subscription”	the subscription of the Subscription Shares by the Subscriber in accordance with the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 29 December 2020 entered into between the Company and the Subscriber in relation to the Subscription
“Subscription Price”	total consideration for the Subscription being HK\$235,440,000 (HK\$2.18 per Subscription Share)
“Subscription Share(s)”	means 108,000,000 newly allotted and issued Shares
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 29 December 2020

*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 Yang, Mr. Shen Peng and Mr. Wang Xin as independent non-executive Directors.*

*\*: for identification purpose*