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Yunhong Guixin Group Holdings Limited

運鴻硅鑫集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8349)

VOLUNTARY ANNOUNCEMENT SECOND UPDATE ON MEMORANDUM OF UNDERSTANDING IN RELATION TO THE POSSIBLE ACQUISITION

Reference is made to the announcement of Yunhong Guixin Group Holdings Limited (the “**Company**”) dated 30 December 2021 (the “**First Announcement**”) in relation to the possible acquisition of 100% equity interest in 通遼大西矽砂有限公司 Tongliao Dayou Silica Sand Co., Ltd* and the announcement of the Company dated 20 May 2022 (the “**Second Announcement**”) for the update on memorandum of understanding in relation to the possible acquisition. Capitalised terms used herein, unless otherwise defined, shall have the same meanings as those defined in the First Announcement and Second Announcement.

Further to the Second Announcement, the Board wishes to inform that due diligence on the legal and operation aspects of the Target Company has been undertaken in an orderly and efficient manner and that an independent assessment of the geology and mineral resources of the Target Company has been completed.

As disclosed in the mineral resources estimation report prepared by the independent consulting firm, the mineral resources of the Target Company are estimated to contain 0.41 million tonnes (“**MT**”) of measured resources (探明資源) with an average grade of 87.17% SiO₂, 1.73 MT of indicated resources (控制資源) with average grades of 86.59% SiO₂ and 0.21 MT of inferred resources (推斷資源) with an average grade of 87.07% SiO₂, under the mining licence with elevation from 247m above sea level (“**ASL**”) to 220m ASL at the sampling date. The Target Company is renewing its mining licence to combine the current range with the Rural Land (Barren Land) Use Contract 農村土地 (荒山) 承包合同 (“**RLUC**”) range. Under the assumption that the Target Company obtains the new mining licence to combine the current range with the RLUC range, the depth of mineral resources would range from the lowest drill-hole of 185m ASL to the current upper limit of 247m ASL, and as such, the mineral resources are estimated to contain 5.51 MT of measured resources (探明資源) with an average grade of 87.34% SiO₂, 13.56 MT of indicated resources (控制資源) with an average grade of 86.78% SiO₂ and 7.45 MT of inferred resources (推斷資源) with an average grade of 87.03% SiO₂.

Further announcements on the update of the Possible Acquisition will be published as and when appropriate.

The Possible Acquisition may or may not proceed. It may constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules if materializes. Shareholders and investors are reminded to exercise caution when dealing in the Shares.

* *for identification purpose only*

By order of the Board
Yunhong Guixin Group Holdings Limited
Li Yubao
Chairman

Hong Kong, 30 June 2022

As at the date of this announcement, the executive Directors are Mr. Li Yubao, Ms. Zhang Yaping and Ms. Shi Dongying and the independent non-executive Directors are Mr. Lee Man Tai, Mr. Tam Tak Kei Raymond and Mr. Ng Sai Leung.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the Stock Exchange's website at www.hkgem.com on the "Latest Listed Company Information" page for 7 days from the date of its posting and on the website of the Company at www.nantongrate.com.