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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 – UPDATE ON THE POSSIBLE ACQUISITION OF THE TARGET COMPANY

This announcement is made by Yunhong Guixin Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide potential investors and shareholders of the Company (the “**Shareholders**”) with information regarding the latest business developments of the Group.

References are made to the announcements of the Company dated 2 October 2024 and 27 November 2024 (the “**Announcements**”) in relation to the MOU entered into between the Company and Yunhong International and Mr. Li and the SOMANGUINA gold mine project. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

PRELIMINARY STUDY REPORT ON THE POTENTIAL OF THE THREE MINING AREAS

Burkina Faso is currently the fourth-largest gold producer in Africa. The Target Company has now been granted prospecting licences by the Government of Burkina Faso for the three mining areas, namely SOMANGUINA, PASGANPA and YELEMBASSE.

According to the Announcements, SOMANGUINA is a gold mine project with huge potential. The deposit is 1.2 kilometers long and can be up to 40 metres thick in places. Inferred resources are estimated at 12 tonnes (9.3Mt@1.21 g/t) with an outcrop of 45 tonnes (42.5Mt@1.09 g/t) over a total area of 1.4 square kilometers. High grade of 744 g/t was recorded in previous drilling.

On 20 December 2024, the Target Company was granted a semi-mechanized mining license for SOMANGUINA pursuant to an order. Furthermore, upon obtaining additional exploration reserves by the Target Company in the future, the scope of the mining license may be expanded.

In December 2024, the Target Company engaged Société de Mine et d’Etudes géologique, a geological exploration company, to conduct geological exploration. Emile ZEMBRE, a geological exploration engineer, issued a preliminary study report on the potential of the three mining areas, namely SOMANGUINA, PASGANPA and YELEMBASSE.

CONCLUSIONS AND RECOMMENDATIONS OF THE PRELIMINARY STUDY REPORT ON THE POTENTIAL OF THE THREE MINING AREAS

The report highlights that Burkina Faso possesses significant mineral potential, primarily associated with the Birimian Belt (Greenstone Belt), which covers over 70,000 square kilometers. These mineral-rich Birimian Greenstone Belts are widely recognized in the geological science community for their high metal content.

The identified mineral resources in Burkina Faso include precious metals and gemstones (gold, silver, diamonds), ferrous metals (iron, manganese, nickel), non-ferrous metals (zinc, copper, aluminum, antimony), non-metallic minerals (phosphates, limestone, marble, kaolin) and energy minerals (uranium, graphite). Despite the diversity of its mineral resources, current mining activities are focused on gold (with 17 industrial-scale mines), phosphates and limestone. Since 2009, Burkina Faso has become one of Africa's leading mining countries, with gold surpassing cotton as the nation's largest mined and exported product.

Burkina Faso is currently the fourth-largest gold producer in Africa. Moreover, numerous gold indicators, deposits and ore bodies have been discovered within the Birimian Belt, many of which have already been mined.

The potential golden mine reserve in the exploration areas of SOMAGUINA, PASPANGA and YELEMBASSE mentioned in the report is estimated to be 10,012 tonnes.

The Parties are in the ongoing negotiations on the final transaction consideration. The Target Company deduces the mineral value of not less than HK\$1,500 billion from the report. The Company will further engage an international valuation institution to carry out valuation and determine the valuation of the Target Company and the amount of additional Shares to be issued upon the issuance of the valuation report.

The transaction is subject to necessary approval, filing or consent from relevant competent authorities, including but not limited to obtaining approval, filing or consent from the Government of Burkina Faso and the Stock Exchange or relevant departments authorized by them.

GEM LISTING RULES IMPLICATIONS

Yunhong International is a company controlled by Mr. Li. As such, Yunhong International is an associate of Mr. Li, and hence a connected person of the Company under Chapter 20 of the GEM Listing Rules. The Possible Acquisition contemplated under the MOU may or may not proceed, and the Parties have not entered into a legally binding agreement in relation to the transactions contemplated under the MOU as at the date of this announcement. If the Possible Acquisition materialises, it may constitute a connected transaction of the Company under the GEM Listing Rules. If the Parties enter into the definitive agreement(s) or decide to terminate the MOU, or if there are any material developments with respect to the Possible Acquisition, further announcement(s) in relation to the Possible Acquisition will be made by the Company as and when appropriate in compliance with the GEM Listing Rules.

Shareholders and investors of the Company should note that there is no assurance that the Possible Acquisition will materialise as no formal binding documentation has been executed between the Parties and negotiations are still in progress. In addition, the MOU may be terminated in certain circumstances. Shareholders and investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 14 January 2025

As at the date of this announcement, the executive Directors are Mr. Li Yubao, Ms. Zhang Yaping, Ms. Shi Dongying and Ms. Jin Dan; and the independent non-executive Directors are Ms. Long Mei, Mr. Wen Peng 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.hkexnews.hk 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.