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潼關黃金集團有限公司
Tongguan Gold Group Limited

(Incorporated in Bermuda with limited liability)
(Stock Code: 00340)

SHARE TRANSACTION
ACQUISITION OF 100% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE

INTRODUCTION

The Board is pleased to announce that on 19 December 2025 (after trading hours of the Stock Exchange), the Company and the Vendors entered into the Agreement, pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares at the Consideration. The Consideration will be satisfied by the allotment and issue of the Consideration Shares by the Company to the Vendors at the Consideration Share Price.

The Project Company is principally engaged in mine engineering and construction and a current service provider of the Company. The Acquisition will bring synergy to the gold mining businesses of the Group, enhance cost saving and operational efficiency and increase control over all aspects of mine safety production.

The Consideration Shares will be allotted and issued pursuant to the General Mandate and is not subject to the approval of the Shareholders. The Consideration Shares, when allotted and issued, shall rank pari passu with the Shares in issue.

An aggregate of 110,000,000 Consideration Shares will be allotted and issued to the Vendors as set out in the section headed "Consideration" below, which represents approximately 2.12% of the issued share capital of the Company as at the date of this announcement and approximately 2.07% of the issued share capital of the Company as enlarged by the Consideration Shares.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Upon Closing, the Target Company will become a subsidiary of the Company and its financial results shall be consolidated into the financial results of the Group.

LISTING RULES IMPLICATIONS

All the applicable percentage ratios in respect of the Acquisition are less than 5%. However, as the consideration for the Acquisition will be satisfied by the allotment and issuance of the Consideration Shares, the Acquisition constitutes a share transaction and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Acquisition contemplated under the Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

INTRODUCTION

The Board is pleased to announce that, on 19 December 2025 (after trading hours), the Company and the Vendors entered into the Agreement, pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Shares at the Consideration. The Consideration will be satisfied by the allotment and issue of the Consideration Shares by the Company to the Vendors at the Consideration Share Price.

Upon Closing, the Target Company will become a subsidiary of the Company and its financial results shall be consolidated into the financial results of the Group.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date: 19 December 2025

Parties:

(1) The Company Limited as the Purchaser;
(2) Huilin Investment Limited as Vendor 1;
(3) Anrui Investment Limited as Vendor 2;
(4) Heduo Investment Limited as Vendor 3;
(5) Huiyu Investment Limited as Vendor 4; and
(6) Jinda Investment Limited as Vendor 5.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as at the date of this announcement, each of the Vendors and its ultimate beneficial owner is an Independent Third Party.

Assets to be acquired

Pursuant to the terms and conditions of the Agreement, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell the Sale Shares, representing 100% of the equity interest of the Target Company.

Consideration

Pursuant to the Agreement, the total Consideration for the Acquisition shall be RMB260,000,000 (equivalent to HK$286,000,000), which shall be settled by way of allotment and issue of 110,000,000 Consideration Shares to the Vendors or its nominee(s) on Closing or any other dates as the Parties otherwise agree in writing.

Basis of the Consideration

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendors on normal commercial terms, without limitation, with reference to (i) historical financial performance of the Immediate Holding Company and the Project Company for the eight months ended 31 August 2025; (ii) its business review and outlook; (iii) a valuation report prepared by an independent qualified valuer; and (iv) the Company's assessment on the prospect of the Target Group and the synergistic benefits that can be created between the Target Group and the Company as described under the paragraph headed "Reasons for and benefits of the Acquisition".

Valuation

In arriving at the appraised value of the Immediate Holding Company and the Project Company, Masterpiece Valuation Advisory Limited (the "**Independent Valuer**") applied the market approach, specifically the comparable company method, to determine the fair value of the equity interest as of 31 August 2025 (the "**Valuation Date**"). In selecting the valuation methodology, the Independent Valuer considered the three generally accepted valuation approaches – namely the income approach, the cost approach, and the market approach.

The cost approach was deemed inappropriate as it assumes separable assets and liabilities, which is more suited to industries with highly liquid assets such as property development or financial institutions. The income approach was also considered unsuitable due to the reliance on subjective assumptions and financial projections, which introduce significant uncertainty.

The market approach was the most appropriate methodology, given the availability of actively traded, substantially similar equities in the public markets and observable transaction data for Comparable Companies. This method relies on market-derived multiples from publicly listed companies engaged in businesses similar to that of the Project Company.

Under the comparable company method, the Independent Valuer identified a set of comparable publicly listed companies and calculated the enterprise value-to-earnings before interest, taxes, depreciation, and amortization (EV/EBITDA) multiple for each. The median EV/EBITDA multiple was then adjusted for size differences and applied to the Project Company's latest twelve months' EBITDA. Further adjustments were made for interest-bearing debt, cash and cash equivalents, and non-operating assets/liabilities to derive the equity value. A lack of marketability discount and a control premium were also applied to reflect the privately held nature of the Project Company and the controlling interest being valued.

The Board is of the view that the valuation, which is based on fair value and the market-based methodology set out above, is fair and reasonable, as it reflects an objective and market-supported measure of the value of the Project Company.

VALUATION ASSUMPTIONS OF BUSINESS ENTERPRISE VALUE ANALYSIS

General assumptions:

- There will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Project Company;
- We have assumed that there are no hidden or unexpected conditions associated with the assets valued that might adversely affect the reported values. Further, we assume no responsibility for changes in market conditions after the Valuation Date;
- The Project Company operates continuously as a going concern;
- There is no material change to the national macro-economic, industrial and regulation development policies;
- There is no material change to the relevant tax base and tax rates after the Valuation Date;
- The management of the Project Company is responsible and stable, and is capable of its undertakings after the Valuation Date;
- The Project Company fully complies with all relevant laws and regulations; and
- There is no force majeure which has material adverse effects on the Project Company.

Specific assumptions:

- The Project Company shall maintain the same business scope and operation method based on the existing management method and management levels after the Valuation Date.

Selection Criteria for Comparable Companies

By adopting comparable company method, the appropriate comparable public companies were selected. The selection of the comparable companies was based on the comparability of the overall industry sector.

Comparable companies were identified and selected based on the following criteria:

- The principal business activities of the companies are mainly conducted in the PRC;
- The companies are primarily engaged in business related to mining engineering (over 50% revenue);
- The companies are listed on major exchange markets in the PRC or Hong Kong; and
- The financial information of the companies is available to the public.

An exhaustive list of five comparable companies (referred to as the "**Comparable Companies**") satisfying the above selection criteria were identified. Details of the Comparable Companies are as follows:

Table 1: Comparable Companies

No.	Company Name	Company Ticker	Description
1	Guangdong Hongda Holdings Group Co., Ltd.	002683-CN	Guangdong Hongda Holdings Group Co., Ltd. engages in the integrated mining and civil explosive services. Its products include site mixing, mining infrastructure stripping, overall blasting scheme design, blasting mining, mineral packaging, transportation and other services.
2	Pizu Group Holdings Limited	9893-HK	Pizu Group Holdings Ltd. is an investment holding company, which engages in the civil explosive industry. It operates through the mining operation, explosive trading and blasting services segments.
3	Jiangxi Guotai Group Co., Ltd.	603977-CN	Jiangxi Guotai Group Co., Ltd. engages in the research and development, production, and sales of civil blasting equipment. It provides blasting services for mines, and infrastructure projects. Its products include industrial explosives, industrial detonators, and industrial cables.

No.	Company Name	Company Ticker	Description
4	Explosive Co., Ltd.	002096-CN	Explosive Co., Ltd. engages in the production, research, development and sale of civil explosive equipment, military products as well as the provision of engineering blasting services. It also offers blasting works and contracting services.
5	Tibet Gaozheng Explosive Co. Ltd.	002827-CN	Tibet Gaozheng Explosive Co., Ltd. engages in the production, distribution, and sale of explosive products. It also provides explosive storage and transportation services. It offers industrial explosives, industrial detonators and cables, and civil explosive equipment.

Source: FactSet

The EV/EBITDA multiples, along with the enterprise value of the following Comparable Companies as of the Valuation Date, are listed in the below table:

Table 2: EV/EBITDA multiples of the Comparable Companies

No.	Company Name	Enterprise Value as of Valuation Date (RMB Million) [1]	Last twelve months ("LTM") EBITDA (RMB Million) [2]	Unadjusted LTM EV/ EBITDA	Size adjusted LTM EV/ EBITDA [3]
1	Guangdong Hongda Holdings Group Co., Ltd.	37,269.7	2,669.1	13.96	5.98
2	Pizu Group Holdings Limited	3,863.6	561.0	6.89	4.37
3	Jiangxi Guotai Group Co., Ltd.	8,340.9	462.1	18.05	6.57
4	Explosive Co., Ltd.	16,379.8	1,252.7	13.08	5.87
5	Tibet Gaozheng Explosive Co. Ltd.	12,383.6	319.9	38.71	8.36
	Median Before LOMD and Control Premium				**5.98**

Notes:

(1) Data sourced from FactSet. The equity value of the Comparable Companies is computed based on the market capitalization of the companies and the latest financial data of the Comparable Companies available as of the Valuation Date.

(2) Data sourced from FactSet. EBITDA of the Comparable Companies is based on the trailing twelve months financial data of the Comparable Companies available as of Valuation Date.

(3) Size adjustments on valuation multiple

Historical returns on marketable securities indicate that small companies are riskier than larger companies. The multiple used in the guideline public company method is an inverse of a capitalization rate. A higher capitalization rate represents higher risk and consequently a lower multiple. Using multiples of guideline public companies might lead to the overstatement of a subject company's value. Adjustments might be made for such size differences. In the valuation, the valuation multiples are adjusted with reference to "Adjusting Guideline Multiples for Size" by Mattson, Shannon and Drysdale published in September/October 2001 Valuation Strategies, which is a methodology accepted and applied in valuation profession.

The following formula is adopted in deriving the size adjustment:

$$\text{Adjusted Multiple} = \frac{1}{\frac{1}{\text{Multiple}} + \alpha\varepsilon\theta}$$

Where:

- θ is the size differential of which the underlying size premium data is taken with reference to Center for Research in Security Prices ("**CRSP**") Deciles Size Premia as of 31 December 2024, by Kroll – Cost of Capital Navigator;

- α is an adjustment made to θ when using a multiple other than one based on net income or net operating profit after tax, being the ratio of the measure to net income or net operating profit after tax; and

- ε is an adjustment made to θ when there is debt in capital structure and a pricing multiple based on the market value of invested capital is being used, being the ratio of market value to the market capitalization of invested capital.

Valuation Result

Valuation Date	**31 August 2025**
EBITDA (LTM as of 31 August 2025) of the Project Company (RMB)	69,524,539
Adjusted median EV/EBITDA multiple [(1)]	5.98
Implied 100% enterprise value of the Project Company (RMB)	415,526,606
Less: interest bearing debts of the Project Company [(2)]	–
Add: cash and cash equivalent of the Project Company [(2)]	6,190,905
Add/Less: non-operating assets/(liabilities) of the Project Company [(2)]	52,430,334
Implied 100% equity value of the Project Company on marketable and non-controlling basis (RMB)	**474,147,845**
Implied 53% equity value of the Project Company (RMB)	**251,298,358**
Add: cash and cash equivalent of Immediate Holding Company [(2)]	840,971
Add/Less: non-operating assets/(liabilities) of Immediate Holding Company [(2)]	8,721,440
Implied 100% equity value of Immediate Holding Company on marketable and non-controlling basis (RMB)	260,860,769
Less: lack of marketability discount [(3)]	(40,694,280)
Add: control premium [(3)]	61,563,142
Implied equity value of Immediate Holding Company on non-marketable and controlling basis (RMB)	**281,729,631**
Implied equity value of Immediate Holding Company on non-marketable and controlling basis (HKD) [(4)]	**307,920,755**

Notes:

1. Selected EV/EBITDA Multiple is based on the median EV/EBITDA multiple computed through comparable company method. Figures may not exactly add up due to rounding.

2. Interest bearing debts, cash and cash equivalent, non-operating assets/(liabilities) are based on the unaudited financial statement as of Valuation Date of the Project Company and the Immediate Holding Company.

3. Marketability discount and control premium

   Lack of marketability discount ("**LOMD**") reflects the fact that there is no ready market for shares in a closely held company. Ownership interests in closely held companies are typically not readily marketable compared to similar interests in publicly listed companies. Therefore, a share of stock in a privately held company is usually worth less than an otherwise comparable share in a publicly listed company.

The EV/EBITDA multiple adopted in the valuation was calculated from public listed companies, which represents marketable ownership interest. Fair value calculated using such EV/EBITDA multiple, therefore, represents the marketable interest. Thus, LOMD was adopted to adjust such marketable interest fair value to non-marketable interest fair value.

The report "Stout Restricted Stock Study Companion Guide (2024 edition)" by Stout Risius Ross, LLC, a reputable research company, suggested a marketability discount is about 15.6%. A marketability discount of 15.6% is considered appropriate and suitable for this valuation as we understand that the Project Company is a privately held company.

Control premium is the amount that a buyer is willing to pay over the minority equity value of the company in order to acquire a controlling interest in that company. The EV/EBITDA multiple adopted in the valuation was calculated from public listed companies, which represents minority ownership interest; market value calculated using such EV/EBITDA multiple, therefore, represents the minority interest. Thus, control premium was adopted to adjust such minority interest market value to controlling interest market value.

Adjustment for control is made by the application of a control premium to the value of the Project Company's shares. The report "Control Premium Study 2025Q1" by BVRESOURCES, suggested a control premium is 23.6%. A control premium of 23.6% is considered appropriate and suitable for this valuation as we understand that the Company intends to dispose of a controlling stake in the Project Company.

4. The exchange rate of HKD/RMB 0.9149 was adopted, which was sourced from FactSet as of the Valuation Date.

5. The above figures have been rounded. As a result, totals may not add up precisely due to rounding.

Consideration Shares

The Consideration Shares shall be allotted and issued pursuant to the General Mandate, credited as fully paid, and shall rank pari passu in all respects among themselves and with the Shares in issue on the date of such allotment and issue, including the right to receive all dividends and distributions which may be declared, made or paid after the Closing and will be issued free and clean of all liens, encumbrances, equities or other third party rights. The allotment and issue of the Consideration Shares under the General Mandate is not subject to the approval of the Shareholders.

An aggregate of 110,000,000 Consideration Shares will be allotted and issued to Vendors as set out in the section headed "Consideration" above, which represent approximately 2.12% of the issued share capital of the Company as at the date of this announcement and approximately 2.07% of the issued share capital of the Company as enlarged by the Consideration Shares.

The issue price of each Consideration Share is HK$2.6, which represents:

(1) a discount of approximately 5.5% to the closing price of HK$2.75 per Share as quoted on the Stock Exchange on 19 December 2025, being the date of the Agreement;

(2) a discount of approximately 6.5% to the average closing price of HK$2.78 per Share as quoted on the Stock Exchange for the five (5) trading days immediately prior to the date of the Agreement; and

(3) a discount of approximately 5.1% to the average closing price of HK$2.74 per Share as quoted on the Stock Exchange for the 20 trading days immediately prior to the date of the Agreement.

Conditions precedent

The Closing of the Agreement shall be subject to the fulfilment or, where applicable, waiver of the following conditions:

(i) the approval for the listing of, and permission to deal in the Consideration Shares by the Stock Exchange having been obtained by the Company, and such approval not having been revoked or withdrawn prior to the Closing Date;

(ii) each of the parties and/or their subsidiaries, holding companies (as the case may be) having obtained all necessary permits, consents, authorizations, permissions, approvals, warranties, confirmations, certificates or approvals (if any) from any competent governmental, administrative, supervisory, regulatory, judicial, decision-making, disciplinary, executive or tax authorities, authorized bodies, agencies, committees, departments, courts or arbitral bodies (including the Stock Exchange or any relevant stock exchanges) or any other persons in any jurisdiction and whether supranational, national, regional or local in relation to the Agreement and the transactions contemplated thereunder;

(iii) as of and up to the date on which the conditions set out in the Agreement are satisfied or waived, the representations and warranties of the Vendors thereunder being true, accurate and correct in all material respects, without any material omissions and not materially misleading; and

(iv) the Vendors and the Target Company having cooperated with the Company to complete due diligence on the Target Group, and the Company being satisfied with the results.

The Company may at its absolute discretion waive the above conditions precedent (iii) and (iv) above. If any of the conditions precedents shall not have been fulfilled (or waived, where applicable) in all respects prior to the Long Stop Date, the Agreement and the rights and obligations of the parties hereto shall be deemed to be void without prejudice to any liabilities of either party to the other party for any breach of terms of the Agreement save for any antecedent breach under the Agreement prior to such termination.

Closing

Closing shall take place on the Closing Date. The Consideration Shares will be issued by the Company to the Vendors on the Closing Date.

CHANGES IN THE SHAREHOLDING OF THE TARGET COMPANY

Upon Closing, the Target Company will become a subsidiary of the Company and its financial results shall be consolidated into the financial results of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect of allotment and issue of the Consideration Shares on the shareholding structure of the Company upon Closing is set out as below:

Name of Shareholder	**As at the date of this announcement**		**Immediately after the Closing, the allotment and issue of all Consideration Shares[(1)]**	
	No. of Shares	*Approximate % of number of Shares in issue*	*No. of Shares*	*Approximate % of number of Shares in issue*
Qinlong Jinxin Mining Investment Limited	1,186,334,000	22.82%	1,186,334,000	22.35%
Lam Yuk Ying	330,000,000	6.35%	330,000,000	6.22%
Fung Wai Enterprises Ltd.	600,000,000	11.54%	600,000,000	11.30%
Jumbo China Holding Limited	800,000,000	15.39%	800,000,000	15.07%
Vendors	–	–	110,000,000	2.07%
Other public Shareholders	2,281,358,221	43.90%	2,281,358,221	42.98%
Total	**5,197,692,221**	**100.00%**	**5,307,692,221**	**100.00%**

Note:

(1) Assuming no change in total issued share capital of the Company other than allotment and issue of all Consideration Shares.

(2) The total may not add up to 100% due to rounding.

INFORMATION OF THE VENDORS AND TARGET GROUP

Vendor 1

Vendor 1 is a company incorporated in the Republic of Seychelles with limited liability on 23 October 2024 and is principally engaged in investment holding, which is directly wholly-owned by Lam, Mei San (林美珊) ("**Ms. Lam**"). Ms. Lam has over 5 years of experience in private equity investment.

Vendor 2

Vendor 2 is a company incorporated in the Republic of Seychelles with limited liability on 8 January 2025 and is principally engaged in investment holding, which is directly wholly-owned by Sun, Yingan (孫英安) ("**Mr. Sun**"). Mr. Sun has over 10 years of experience in mining industry.

Vendor 3

Vendor 3 is a company incorporated in the Republic of Seychelles with limited liability on 8 January 2025 and is principally engaged in investment holding, which is directly wholly-owned by He, Yuanzheng (賀元政) ("**Mr. He**"). Mr. He has over 10 years of experience in mining industry.

Vendor 4

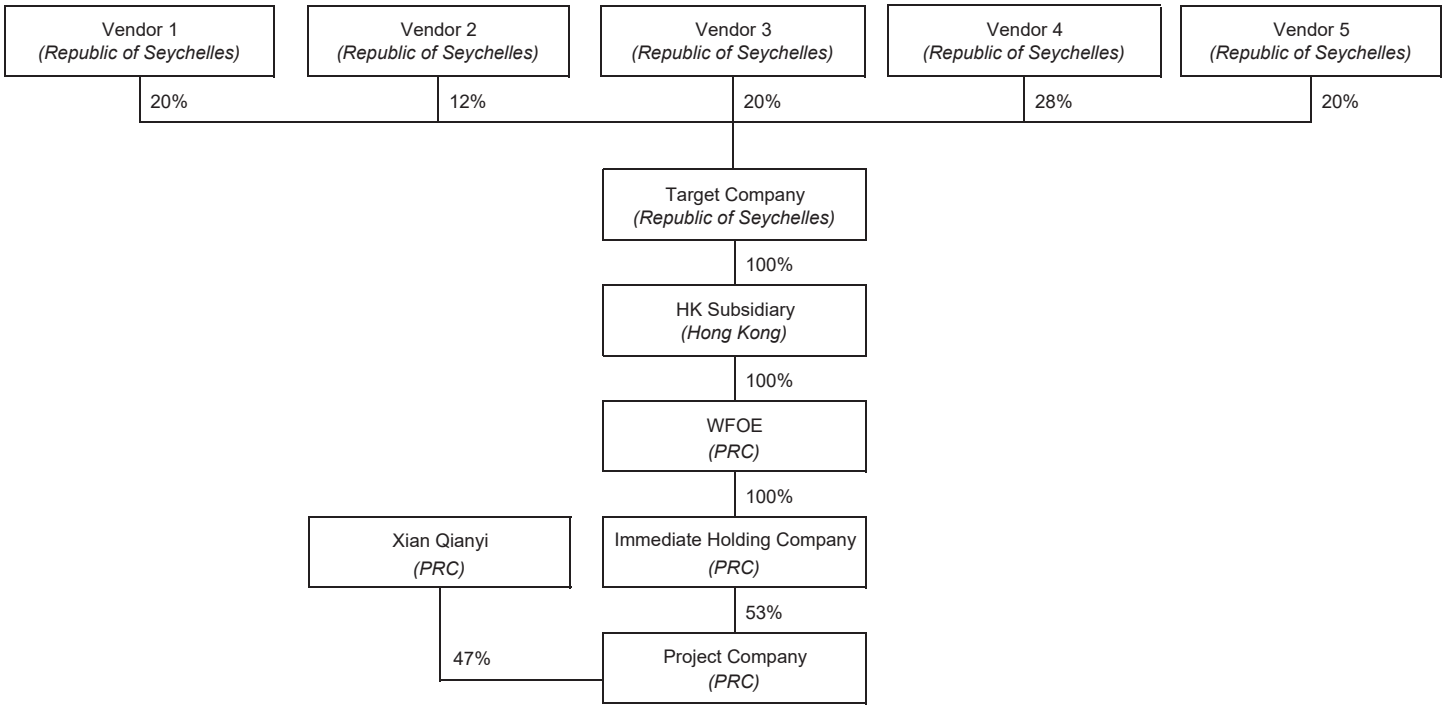
Vendor 4 is a company incorporated in the Republic of Seychelles with limited liability on 8 January 2025 and is principally engaged in investment holding, which is directly wholly-owned by Huang, Huixian (黃惠先) ("**Mr. Huang**"). Mr. Huang has over 10 years of experience in mining industry.

Vendor 5

Vendor 5 is a company incorporated in the Republic of Seychelles with limited liability on 8 January 2025 and is principally engaged in investment holding, which is directly wholly-owned by Jin, Cunbing (金存兵) ("**Mr. Jin**"). Mr. Jin has over 10 years of experience in mining industry.

Target Group

As at the date of this announcement, the shareholding structure of the Target Group is as follows:



The Target Company is a company incorporated in the Republic of Seychelles with limited liability and is an investment holding company. It directly holds 100% of the HK Subsidiary as at the date of this announcement.

The HK Subsidiary is a company incorporated in Hong Kong with limited liability and is an investment holding company. It is wholly-owned by the Target Company as at the date of this announcement.

WFOE is a company incorporated in the PRC with limited liability and the entire equity interest of which is owned by the HK Subsidiary. As at the date of this announcement, WFOE is an investment holding company which holds the entire equity interest in the Immediate Holding Company.

The Immediate Holding Company is a company incorporated in the PRC with limited liability and the entire equity interest of which is owned by the Project Company. As at the date of this announcement, the Immediate Holding Company is an investment holding company which holds the 53% equity interest in the Project Company.

The Project Company is a company incorporated in the PRC with limited liability and the equity interest of which is owned as to 53% by the Immediate Holding Company and 47% owned by Xian Qianyi. The Project Company is principally engaged in mine engineering and construction and a current service provider of the Company.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendors and its ultimate beneficial owner is an Independent Third Party.

As all the companies under Target Group, except for the Project Company, were established recently and did not have other businesses other than holding the equity interests of Project Company directly/indirectly, no financial statements have been prepared for these companies for the years ended 31 December 2023 and 2024.

The unaudited financial information of the Project Company prepared in accordance with the Hong Kong Generally Accepted Accounting Principles is set out below:

	For the year ended 31 December	
	2023	**2024**
	HK$'000	*HK$'000*
Revenue	55,612	63,296
Profit/(loss) before taxation	314	(6,221)
Profit/(loss) after taxation	144	(4,754)

	As at 31 December	
	2023	**2024**
	HK$'000	*HK$'000*
Total assets	49,578	194,283
Net assets	14,439	20,198

INFORMATION OF THE COMPANY AND THE GROUP

The Company is an investment holding company. The Group is principally engaged in exploration, mining, processing, smelting and sale of gold and related products in China (the "**Existing Businesses**").

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is engaged in the Existing Businesses, while the principal activities of the Target Group include mine engineering and construction.

The Directors believe that the Acquisition, if materialised, will yield significant benefits for the Company and its Shareholders. Specifically, the Directors anticipate that (i) the Acquisition will bring synergy to the Existing Businesses, enhance cost saving, foster collaboration, and support the sustainable and diverse development of the Group's operations across various markets; (ii) the Acquisition will increase the feasibility of the Group's management and control over all aspects of mine safety production; and (iii) as the Project Company is a current service provider of the Group, the Acquisition will enhance the operational efficiency of the Group. This improvement will ensure that safety production risks are effectively controllable, thereby enhancing operational efficiency. The Acquisition is expected to bolster the Group's reputation within the gold mining industry and will contribute to enhanced profitability for the Group, creating value for the Shareholders and stakeholders alike. In addition, the Consideration will be satisfied by way of issue of the Consideration Shares, which will not result in immediate cash outflow from the Group.

Accordingly, the Directors are of the view that the Acquisition is being conducted on normal commercial terms, fair and reasonable, and is in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

All the applicable percentage ratios in respect of the Acquisition are less than 5%. However, as the consideration for the Acquisition will be satisfied by the allotment and issuance of the Consideration Shares, the Acquisition constitutes a share transaction and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Shareholders and potential investors should note that the Acquisition contemplated under the Agreement is subject to satisfaction of certain conditions precedent and it may or may not be completed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used in this announcement shall have the following meanings:

"Acquisition"	the acquisition of the Sale Shares pursuant to the Agreement;
"Agreement"	the agreement for the sale and purchase of 100% of the issued share capital in the Target Company entered into between the Vendors and Purchaser dated 19 December 2025;
"Board"	the board of Directors of the Company
"Business Days"	a day (excluding Saturday, Sunday, public holiday and any day on which "extreme conditions" caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours;
"Closing"	the closing of the Acquisition in accordance with the Agreement;
"Closing Date"	the fifth Business Day or such other date as the parties may agree upon all conditions set out in the Agreement have been satisfied or waived;
"Company"	Tongguan Gold Group Limited (潼關黃金集團有限公司), a limited company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
"Consideration"	Consideration 1, Consideration 2, Consideration 3, Consideration 4 and Consideration 5;
"Consideration 1"	the consideration in the sum of HK$57,200,000, to be settled by way of allotment and issue of the Consideration Shares 1 by the Company to Vendor 1 at the Consideration Share Price;
"Consideration 2"	the consideration in the sum of HK$34,320,000, to be settled by way of allotment and issue of the Consideration Shares 2 by the Company to Vendor 2 at the Consideration Share Price;

"Consideration 3"	the consideration in the sum of HK$57,200,000, to be settled by way of allotment and issue of the Consideration Shares 3 by the Company to Vendor 3 at the Consideration Share Price;
"Consideration 4"	the consideration in the sum of HK$80,080,000, to be settled by way of allotment and issue of the Consideration Shares 4 by the Company to Vendor 4 at the Consideration Share Price;
"Consideration 5"	the consideration in the sum of HK$57,200,000, to be settled by way of allotment and issue of the Consideration Shares 5 by the Company to Vendor 5 at the Consideration Share Price;
"Consideration Shares"	Consideration Shares 1, Consideration Shares 2, Consideration Shares 3, Consideration Shares 4 and Consideration Shares 5;
"Consideration Shares 1"	22,000,000 new Shares to be issued and allotted by the Company to Vendor 1 pursuant to the terms and conditions of the Agreement;
"Consideration Shares 2"	13,200,000 new Shares to be issued and allotted by the Company to Vendor 2 pursuant to the terms and conditions of the Agreement;
"Consideration Shares 3"	22,000,000 new Shares to be issued and allotted by the Company to Vendor 3 pursuant to the terms and conditions of the Agreement;
"Consideration Shares 4"	30,800,000 new Shares to be issued and allotted by the Company to Vendor 4 pursuant to the terms and conditions of the Agreement;
"Consideration Shares 5"	22,000,000 new Shares to be issued and allotted by the Company to Vendor 5 pursuant to the terms and conditions of the Agreement;
"Consideration Share Price"	HK$2.6 per Consideration Share;
"Director(s)"	directors of the Company;
"General Mandate"	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 30 May 2025 to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting;
"Group"	the Company and its subsidiaries;

"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"HK Subsidiary"	Haifeng Holding Limited(海鋒控股有限公司), a company incorporated in Hong Kong with limited liability on 29 October 2025 and is principally engaged in investment holding;
"Immediate Holding Company"	Shaanxi Yucheng Mining Co., Ltd.*(陝西鈺誠礦業有限責任公司), a company incorporated in the PRC with limited liability on 13 December 2024 and is an investment holding company;
"Independent Third Party(ies)"	an individual or a company who or which is independent of and not connected with (within the meaning of the Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Long Stop Date"	31 March 2026, or any other date as the parties may agree in writing;
"Project Company"	Shaanxi Jinfu Mining Co., Ltd.*(陝西金福礦業有限責任公司), a company incorporated in the PRC with limited liability on 8 April 2019 and is principally engaged in mine engineering and construction;
"Sale Shares"	100 shares in the issued share capital of the Target Company, representing 100% of the issued share capital of Target Company immediately prior to the Closing;
"Share(s)"	ordinary share(s) with a nominal value of HK$0.1 each in the share capital of the Company;
"Shareholder(s)"	holder(s) of the Shares;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Target Company"	Longxin Construction Development Limited(隴鑫建設發展有限公司), a company incorporated in the Republic of Seychelles with limited liability on 23 October 2024 and is principally engaged in investment holding;
"Target Group"	Target Company, HK Subsidiary, WFOE, Immediate Holding Company and Project Company

"Vendors"	Vendor 1, Vendor 2, Vendor 3, Vendor 4 and Vendor 5;
"Vendor 1"	Huilin Investment Limited(輝林投資有限公司), a company incorporated in the Republic of Seychelles with limited liability on 23 October 2024 and is principally engaged in investment holding;
"Vendor 2"	Anrui Investment Limited(安鋭投資有限公司), a company incorporated in the Republic of Seychelles with limited liability on 8 January 2025 and is principally engaged in investment holding;
"Vendor 3"	Heduo Investment Limited(賀鐸投資有限公司), a company incorporated in the Republic of Seychelles with limited liability on 8 January 2025 and is principally engaged in investment holding;
"Vendor 4"	Huiyu Investment Limited(惠鈺投資有限公司), a company incorporated in the Republic of Seychelles with limited liability on 8 January 2025 and is principally engaged in investment holding;
"Vendor 5"	Jinda Investment Limited(金達投資有限公司), a company incorporated in the Republic of Seychelles with limited liability on 8 January 2025 and is principally engaged in investment holding;
"WFOE"	Shaanxi Baohui Mining Co., Ltd.*(陝西寶匯礦業有限責任公司), a company incorporated in the PRC with limited liability on 20 October 2025 and is an investment holding company;
"Xian Qianyi"	Xian Qianyi Management Consulting Co., Ltd.*(西安千亦管理咨詢有限責任公司), a company incorporated in the PRC with limited liability; and
"%"	per cent.

By order of the Board
Tongguan Gold Group Limited
Jiang Zhiyong
Chairman and Executive Director

Hong Kong, 19 December 2025

As at the date hereof, the board of directors of the Company comprises Mr. Jiang Zhiyong, Mr. Shi Xingzhi, Mr. Shi Shengli, Mr. Yeung Kwok Kuen, and Ms. Feng Fangqing as executive directors, and Mr. Chu Kang Nam, Mr. Liang Xushu and Mr. Leung Ka Wo as independent non-executive directors.

* *For identification purpose only.*