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Mount Everest Gold Group Company Limited
珠峰黃金集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1815)

SUPPLEMENTAL ANNOUNCEMENT
SUBSCRIPTION OF NEW SHARES
UNDER GENERAL MANDATE

Reference is made to the announcement of Mount Everest Gold Group Company Limited (the “**Company**”) dated 22 September 2026 in relation to the subscription of new Shares under the General Mandate (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

This announcement is made to provide supplemental information in relation to the expected Completion timetable, the Group’s existing liquidity and funding requirements and the Gold Bar Business.

COMPLETION TIMETABLE

As disclosed in the Announcement, following satisfaction or, where applicable, waiver of the conditions under the relevant Subscription Agreement, the Company may designate the Completion Date by giving the relevant Subscriber at least two Business Days’ written notice, and Completion must take place no later than one month after the Conditions Satisfaction Date. The Company has applied to the Listing Committee for approval for the listing of, and permission to deal in, the Subscription Shares and currently expects Completion to take place on or before 16 November 2026.

EXISTING LIQUIDITY AND FUNDING REQUIREMENTS

As disclosed in the Announcement, as at 30 June 2026, the Group had bank balances and cash of approximately RMB1,245.1 million. Such cash resources are required to support the Group's existing operations, previously disclosed funding plans and prudent liquidity management and, accordingly, are not wholly available for deployment to the Gold Bar Business.

Based on the Group's funding plans and cash requirements as at 30 June 2026, the intended uses of such bank balances and cash are summarised below:

Current intended use of bank balances and cash as at 30 June 2026	Approximate amount	Expected timeframe
To fund the Lhoka and Shigatse exploration programmes previously disclosed in the Company's announcement dated 19 November 2025 in connection with the subscriptions of shares under the then general mandate (the " 2025 Subscriptions "), including approximately RMB67.0 million (equivalent to HK\$78.3 million) of unutilised proceeds from the completed 2025 Subscriptions and approximately RMB137.8 million (equivalent to HK\$161.0 million) of funding shortfall to be met from the Group's existing cash resources and internally generated cash, as disclosed in the Company's announcement dated 8 June 2026	RMB204.8 million	By the end of 2027
Ordinary-course inventory procurement, supplier settlement and other working-capital requirements of the New Jewellery Retail Segment, including approximately RMB58.8 million (equivalent to HK\$68.7 million) of unutilised proceeds allocated to general working capital from the 2025 Subscriptions	RMB809.6 million	Expected to be utilised on a rolling basis
Repayment and servicing of bank borrowings	RMB130.7 million	In accordance with the applicable repayment schedules, subject to repayment-on-demand provisions
Liquidity reserve maintained for ordinary-course operations and contingencies	RMB100.0 million	Maintained on an ongoing basis
Total	<u>RMB1,245.1 million</u>	

As disclosed in the 2026 interim report, as at 30 June 2026, the Group had bank borrowings of approximately RMB130.7 million. Approximately RMB102.9 million was contractually repayable within one year and approximately RMB27.8 million was contractually repayable between two and five years. The latter amount was subject to repayment-on-demand clauses and, accordingly, all bank borrowings were classified as current liabilities.

After taking into account the above existing and committed funding requirements, the Board considers that the Group's existing cash resources do not provide sufficient headroom to fund the Gold Bar Business at its intended initial scale without constraining the funding available for its existing operations, financial obligations and previously disclosed mining exploration plans. The Board therefore considers it appropriate to raise dedicated equity funding for the Gold Bar Business.

FURTHER INFORMATION ABOUT THE GOLD BAR BUSINESS

Business model

The Gold Bar Business is an expansion of the Group's existing New Jewellery Retail Segment and is intended to leverage the Group's experience in gold-product sales, established sales channels and market presence. As disclosed in the Announcement, the business will involve bulk procurement of physical standard gold through qualified members of the Shanghai Gold Exchange, processing by qualified third-party processors into smaller-denomination investment gold bars bearing the Company's "Everest Gold" brand, and sale through the Group's existing online platforms and other sales channels.

The Group intends to operate the Gold Bar Business on a demand-led, small-batch and short-turnover basis. Procurement quantities will be determined having regard to market demand, sales orders, prevailing gold prices and the Group's inventory controls. The overall cycle from procurement, physical delivery and processing to sale is expected to be completed within approximately one month, with sale proceeds recycled into subsequent procurement cycles. The approximately HK\$398.43 million proposed to be allocated to the Gold Bar Business is estimated to be broadly equivalent to the procurement cost associated with approximately one to two months of expected sales volume and is intended to serve as a revolving working-capital pool rather than fund a one-off accumulation of gold inventory.

The Board considers that the Group's value contribution arises from the combination of (i) bulk procurement, which is expected to provide more favourable unit procurement costs; (ii) access to Shanghai Gold Exchange-deliverable physical gold which is subject to prescribed fineness and quality standards; (iii) converting larger standard gold into smaller denominations more accessible to retail customers; (iv) product specification, quality control and branding under the "Everest Gold" brand; (v) the Group's established online and offline sales channels, customer reach and brand awareness; and (vi) its inventory, pricing and customer-service management capabilities. In particular, the Group has well-established online and offline sales channels and market presence through its existing New Jewellery Retail Segment. As disclosed in the 2026 interim report, its online and offline sales channels generated revenue of approximately RMB90.3 million and RMB757.0 million, respectively, in 1H2026. The Group also partners with television and video shopping platforms, remains a core supplier in the gold, silver and jewellery category for leading television channels with daily coverage of over 100 million home viewers in the PRC, and operates the Shenzhen Exhibition Hall as a sales platform for wholesale customers and franchisees. The Board considers that this established market presence, brand awareness and customer and distribution network, which have been built through the Group's existing New Jewellery Retail operations, constitute commercial goodwill and channel value that the Group can leverage in developing the Gold Bar Business.

Comparability with existing New Jewellery Retail Segment

The Gold Bar Business forms part of, and represents a further development of, the Group's existing New Jewellery Retail Segment. Gold bars have formed part of the Group's existing gold-product offering, albeit historically on a relatively limited scale. For 1H2026, the Group recorded revenue of approximately RMB53.5 million from sales of gold products. Historically, the Group purchased finished gold bars directly from third-party suppliers, with supplier premiums embedded in the purchase price, and subsequently sold them primarily through the Shenzhen Exhibition Hall. Under the expanded Gold Bar Business, the Group will instead procure standard gold through qualified members of the Shanghai Gold Exchange, arrange for such gold to be processed into investment gold bars to the Group's specifications, and adopt an online-led sales model supplemented by offline channels. The Board expects this approach to reduce finished-product premiums, improve procurement economics, broaden customer reach and provide greater flexibility in product pricing to better serve a wider customer base.

As at the date of this supplemental announcement, the Group's existing gold-product offering principally comprises gold ornaments and pendants, commemorative gold coins, customised gold products and gold bars.

As investment gold bars are comparatively standardised products for which customers generally place greater emphasis on gold quality, brand reputation and competitive pricing, their product-level mark-up is generally expected to be lower than that of more differentiated jewellery products, where design, craftsmanship, gemstones, branding and other product features may support a higher margin. Notwithstanding that the expected gross profit margin for the Gold Bar Business is lower than the Group's overall gross profit margin of approximately 15.4% for the New Jewellery Retail Segment in 1H2026, the Board considers that the Gold Bar Business is commercially complementary to the Group's existing New Jewellery Retail Segment. Its standardised nature, relatively short procurement-to-sale cycle and repeated recycling of sale proceeds are expected to enable the same pool of working capital to support multiple procurement and sales cycles. Together with the Group's existing experience in gold-product sales and established sales channels, the Board considers that the Gold Bar Business has the potential to increase the scale of the Group's gold-product sales and contribute additional revenue and gross profit.

Proposed allocation of proceeds to the Gold Bar Business

The proposed allocation of the approximately HK\$398.43 million of net proceeds among the principal working-capital requirements of the Gold Bar Business is set out below:

Principal use	Approximate amount	Approximate % of Gold Bar Business allocation
Procurement of physical standard gold	HK\$365.76 million	91.8%
Processing and packaging	HK\$19.52 million	4.9%
Logistics, insurance and custody	HK\$13.15 million	3.3%
Total	HK\$398.43 million	100%

The Board considers the approximately HK\$398.43 million allocation sufficient for the intended initial scale and working-capital requirements of the Gold Bar Business. This assessment takes into account that (i) the amount is broadly equivalent to the procurement cost associated with approximately one to two months of expected sales volume; (ii) the procurement-to-sale cycle is expected to be approximately one month; and (iii) proceeds generated from sales will be recycled into subsequent procurement cycles rather than each cycle being funded by fresh external capital. If the Gold Bar Business expands beyond the currently intended scale, the Company intends first to fund additional procurement through recycled sale proceeds and internally generated cash and, if required, will consider other available financing sources having regard to the Group's then operational needs, financial position and market conditions.

Accordingly, the Company does not currently expect to require additional external financing to fund the Gold Bar Business at the initial scale contemplated in the Announcement. Any future expansion beyond the currently contemplated scale would be considered having regard to actual sales performance, operating cash flows and the Group's then prevailing financial position and funding needs.

Save as supplemented above, all other information in the Announcement remains unchanged.

Shareholders and potential investors should note that Completion is subject to the fulfilment (or, where applicable, waiver) of the conditions under the Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
MOUNT EVEREST GOLD GROUP COMPANY LIMITED
Chen He
Chairman

Hong Kong, 5 October 2026

As at the date of this announcement, the executive Directors are Mr. Chen He, Mr. Qian Pengcheng and Ms. Huang Wen; and the independent non-executive Directors are Mr. Yu Leung Fai, Mr. Hu Qilin and Mr. Zhang Zuhui.