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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
THE ACQUISITION OF 51% EQUITY INTEREST IN TARGET COMPANY
INVOLVING ISSUE OF CONSIDERATION SHARES
UNDER SPECIFIC MANDATE
AND PROVISION OF LOAN**

Financial adviser to the Company



THE ACQUISITION

On 14 October 2023, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of not more than HK\$100,000,000, which shall be settled by way of the issue of the Consideration Shares under the Specific Mandate. Details of the Consideration are set out in the paragraph headed “Consideration and Payment Terms”.

As at the date of this announcement, the Target Company, through the Project Company, holds the Mining Licence and is in the process of obtaining the Exploitation Licence in respect of the Gold Mines, which is expected to be obtained within six months from the date of the Sale and Purchase Agreement.

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company.

PROVISION OF THE LOAN

As one of the conditions precedent to Completion, the Company and the Target Company shall enter into the Loan Agreement after successful completion of fund raising exercise(s) by the Company in the amount of not less than US\$40,000,000 (equivalent to approximately HK\$312,000,000), pursuant to which the Company agreed to lend, and the Target Company agreed to borrow, the Loan in the principal amount of US\$8,000,000 (equivalent to approximately HK\$62,400,000) for a term of 12 months, subject to extension (if applicable).

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, when aggregated with the provision of the Loan, is more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition and the provision of the Loan constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The SGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Specific Mandate.

A circular containing, among other things, information on the Acquisition, the provision of the Loan, the issue of the Consideration Shares, and notice of the SGM will be despatched to the Shareholders as soon as practicable.

As Completion is subject to the fulfilment of the conditions precedent in the Sale and Purchase Agreement, which include the approval of the Shareholders at the SGM of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Specific Mandate, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE ACQUISITION

Reference is made to the announcement of the Company dated 21 July 2023 in relation to the memorandum of understanding entered into between the Company, the Project Company and the Vendor. On 14 October 2023, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the Sale Shares at the Consideration of not more than HK\$100,000,000, which shall be settled by way of the issue of the Consideration Shares under the Specific Mandate.

The details of the Sale and Purchase Agreement are as follows:

The Sale and Purchase Agreement

Date: 14 October 2023

Parties: (1) the Purchaser, a wholly-owned subsidiary of the Company (as the Purchaser)

(2) Dr. Prasannan Nediyeedath (as the Vendor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendor is a businessman and is an Independent Third Party.

Subject matter

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to purchase, and the Vendor has conditionally agreed to sell the Sale Shares, representing 51% of the total issued share capital of the Target Company as at the date of this announcement.

Consideration and Payment Terms

The Consideration shall be no more than HK\$100,000,000, which would be settled by the allotment and issue of a maximum of 125,000,000 Consideration Shares by the Company at the Issue Price of HK\$0.80 per Consideration Share on the Completion Date to the Vendor (or its designated nominee).

The Consideration was determined by the Vendor and the Company after arm's length negotiations taking into account, among other things, (i) the business growth and prospects of the Target Group; (ii) the recent trend of international gold prices and the contributing factors of its rally; (iii) the factors as set out in the section headed "Reasons for and benefits of the Acquisition and provision of the Loan"; and (iv) the valuation of the 100% equity interest of the Project Company using the market approach to be prepared by an independent valuer appointed by the Company before Completion ("**Valuation**"), which is preliminarily estimated by the Vendor and the Company to be about HK\$400,000,000 and in any event not less than HK\$200,000,000.

The exact amount of the Consideration payable at Completion will be determined with respect to the following formula:

Consideration = (amount of Valuation/HK\$400,000,000) x HK\$100,000,000

Taking into account the above, in particular, that the Consideration will be adjusted based on the final Valuation, the Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Consideration Shares

A maximum of 125,000,000 Consideration Shares represents (i) approximately 3.07% of the existing issued share capital of the Company; and (ii) approximately 2.98% of the Company's issued share capital as enlarged by the issue of the Consideration Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement and up to the Completion). The Consideration Shares will be allotted and issued under the Specific Mandate to be sought and approved by the Shareholders at the SGM. The Consideration Shares when allotted and issued shall be credited as fully paid and rank *pari passu* with all other Shares in issue in the share capital of the Company.

Application will be made by the Company to the Stock Exchange for the approval for the listing of, and permission to deal in, the Consideration Shares. The issue price of HK\$0.80 per Consideration Share represents:

- (i) a premium of approximately 81.8% over the closing price of HK\$0.44 per Share as quoted on the Stock Exchange on 13 October 2023, being the last trading day prior to the date of the Sale and Purchase Agreement;
- (ii) a premium of approximately 86.0% over the average closing price per Share as quoted on the Stock Exchange for the last five consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$0.43 per Share;
- (iii) a premium of approximately 81.8% over the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$0.44 per Share;
- (iv) a premium of approximately 70.2% over the average closing price per Share as quoted on the Stock Exchange for the last 30 consecutive full trading days prior to the date of the Sale and Purchase Agreement, being approximately HK\$0.47 per Share; and
- (v) a premium of approximately 77.8% over the unaudited net asset value per Share of approximately HK\$0.45, which is calculated as the published unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$1,850,216,000 as at 30 June 2023 divided by the total number of issued Shares outstanding as at the date of this announcement.

The Company considers the Issue Price, which was determined after arm's length negotiation between the Group and the Vendor, to be fair and reasonable having considered, among other things, (i) that the issue of Consideration Shares as the Consideration would enable the Company to acquire the controlling interest in the Target Group without causing an undue burden on the Company's cash flow; (ii) the Issue Price represents a significant premium over the unaudited net asset value per Share as at 30 June 2023 and the short-term average closing price per Share; and (iii) the reasons for and benefits of the Acquisition as described in the paragraph headed "Reasons for and benefits of the Acquisition and provision of the Loan".

Conditions precedent

Completion is conditional upon the satisfaction (or waiver, if applicable) of all of the following conditions:

- (i) the completion of a due diligence review on the Target Group (in particular the Project Company) by the Purchaser to the reasonable satisfaction of the Purchaser;
- (ii) the receipt of a valuation report in the form and substance acceptable to the Purchaser from an independent valuer of international standing appointed by the Purchaser and showing the value of 100% equity interest of the Project Company of not less than HK\$200,000,000;
- (iii) the Loan Agreement, the Share Charge (as defined below) and the Guarantee (as defined below) having been duly executed by the Target Company after successful completion of fund raising exercise(s) by the Company in the amount of not less than US\$40,000,000 (equivalent to HK\$312,000,000) and after fulfilment of the condition precedent (iv) below;
- (iv) the Project Company having been granted the Exploitation Licence covering expanded area of the Gold Mines of not less than 100km² and the Licences continue to be valid and not having been revoked or suspended for whatever reason;
- (v) the receipt by the Purchaser of a legal opinion in the form and substance acceptable to the Purchaser issued in favour of the Purchaser by a Madagascar law firm confirming (i) the due incorporation and valid existence of the Target Company and the Project Company; (ii) the Licences were duly and validly issued which entitle the Project Company to explore, exploit and extract natural resources/minerals of whatever kind (including gold) located on or below the surface of and within the vicinity of the Gold Mines, and are in full force and effect; and (iii) the exclusive possession of the Licences by the Project Company free from any encumbrances for the purpose of carrying on the business by the Project Company;
- (vi) the receipt by the Purchaser of a report issued to the Company from a qualified technical expert acceptable to the Purchaser relating to the state and condition of the Gold Mines, and confirming the resources of gold within the Gold Mines, in form and substance acceptable to the Purchaser;

- (vii) the passing of the resolution by the Shareholders in general meeting approving the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Specific Mandate;
- (viii) the Listing Committee having granted the approval for the listing of, and the permission to deal in, the Consideration Shares;
- (ix) all other requisite consents, authorisations and approvals (or, as the case may be, the relevant waiver) in connection with the entering into and performance of the terms of the Sale and Purchase Agreement having been obtained by the respective parties to the Sale and Purchase Agreement (including but not limited to the necessary consent from the Stock Exchange, if any); and
- (x) none of the warranties made by the Vendor under and other provisions of the Sale and Purchase Agreement having been breached in any material respect (or, if capable of being remedied, has not been remedied), or (in respect of any of the aforesaid warranties) is misleading or untrue in any material respect.

The Purchaser shall have the right to waive the conditions precedent above (save for the conditions (vii), (viii) and (ix), which cannot be waived). Save as aforesaid, if the conditions precedent as set out in the Sale and Purchase Agreement have not been fulfilled (or, where applicable, waived by the Purchaser) on or before the date falling one year after the date of the Loan Agreement or 31 December 2024, whichever is earlier (or such other date as the parties may agree in writing), neither the Purchaser nor the Vendor shall be obliged to proceed with Completion.

Completion

Completion shall take place on the Completion Date.

Upon Completion, the Target Company will become a non-wholly owned subsidiary of the Company. The results and assets and liabilities of the Target Group will be consolidated with, and accounted for as subsidiaries, in the Company's consolidated financial statements.

LOAN AGREEMENT

As one of the conditions precedent to Completion, the Company and the Target Company shall enter into the Loan Agreement after successful completion of fund raising exercise(s) by the Company in the amount of not less than US\$40,000,000 (equivalent to HK\$312,000,000), pursuant to which the Company agreed to lend, and the Target Company agreed to borrow, the Loan in the principal amount of US\$8,000,000 (equivalent to approximately HK\$62,400,000) for a term of 12 months, subject to extension (if applicable). As at the date of this announcement, the Company has not entered into any agreement in relation to potential fund raising exercises.

The principal terms of the Loan Agreement are summarised as follows:

Parties:	(i) the Company (as lender); and (ii) the Target Company (as borrower)
Principal amount:	US\$8,000,000 (equivalent to approximately HK\$62,400,000)
Interest rate:	10% per annum

The interest rate was agreed upon by the Company and the Target Company with reference to normal commercial practice and after arm's length negotiations taking into account the Company's cost of financing from external parties.

Term:	12 months from the first drawdown date (" Original Maturity Date "), which may be extended for 12 months from the Original Maturity Date (" First Extended Maturity Date "), and may thereafter further be extended for 12 months from the First Extended Maturity Date (" Second Extended Maturity Date ")
Repayment:	The Target Company shall repay the Loan in full (together with all accrued interests) on the Maturity Date.
Prepayment:	The Target Company may at any time prepay all or part of the Loan and the accrued interests by giving prior written notice to the Company.
Security and guarantee:	The Loan shall be secured by a personal guarantee to be executed by the Vendor in favour of the Company (" Guarantee ") and a share charge to be executed by the Target Company in respect of 51% equity interest of the Project Company held by the Target Company (" Share Charge ").

FUNDING OF THE LOAN

The Group will finance the Loan with the proceeds from the fund raising exercise(s) of the Company which will be completed before entering into the Loan Agreement.

INFORMATION ON THE TARGET GROUP

The Target Company is an investment holding company that was incorporated in the BVI with limited liability on 4 July 2023. As at the date of this announcement, it is owned as to 62.78% by the Vendor, 22.22% by Huang Yanlin, 10% by Rakesh Rajagopal and 5% by Pang Chung Fai Benny.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Target Company and its ultimate beneficial owners are Independent Third Parties.

The principal asset of the Target Company is its 51% equity interest in the Project Company. The Project Company is a limited liability company incorporated under the laws of Madagascar on 7 November 2017. As at the date of this announcement, the Project Company is owned as to 51% by the Target Company, 43% by the Vendor, 2% by Razakatsifera Maherinirina Jean Thierry, 2% by Andrianalisoa Vonimanitra Ralison, 1% by Emmanuel Heriniaina and 1% by Randriamanantena Betsara Joachim.

The Target Group is principally engaged in the business of mining and related activities, specifically targeting in mineral exploration, development, processing and marketing of gold in international markets. As at the date of this announcement, the Target Company, through the Project Company, holds the Mining Licence and is in the process of obtaining the Exploitation Licence in respect of the Gold Mines, which is expected to be obtained within six months from the date of the Sale and Purchase Agreement.

As the Target Company is newly incorporated in July 2023, no financial information for the past two financial years is available as at the date of this announcement. The Target Company has no business operation and other material assets and liabilities since its incorporation other than holding 51% of the equity interest in the Project Company.

Set out below is a summary of the unaudited financial information on the Project Company prepared in accordance with the Hong Kong Generally Accepted Accounting Principles for the two years ended 31 December 2022:

	For the year ended	
	31 December	
	2022	2021
	US\$'000	US\$'000
Revenue	–	–
Net loss (before taxation)	(81)	(82)
Net loss (after taxation)	(81)	(82)

The unaudited net liabilities value of the Project Company as at 31 December 2022 and 31 December 2021 was approximately US\$74,000 and US\$155,000, respectively.

No commercial mining activities were undertaken at the Gold Mines as at the date of this announcement. Details of Gold Mines are as follows.

THE GOLD MINES

The Gold Mines are located in Antananarivo district of Madagascar. The Gold Mines comprise of twenty one blocks of licensed gold mining concessions (with a gross area of no less than 100km²).

Madagascar is undergoing a change in the mining code. The president of Madagascar, Andry Rajoelina, has signed the replacement mining code which has been registered by the Secretary General of Government. The new mining code will cover artisanal and small scale mining as well as large industrial mining. With the new mining code, the Ministry of Mines and Strategic Resources shall resume processing applications for all mining permits and the Target Group expects its Exploitation Licence to be granted within six months from the date of the Sale and Purchase Agreement.

As at the date of this announcement, the Target Group holds the Mining Licence and is in the process of obtaining the Exploitation Licence, details of which are as follows:

Licence holder	Type of mineral rights	Licence number	Area (km ²)	Validity period
Project Company	Mining Licence	27976	6.25	Eight years, renewable for four years each time
	Exploitation Licence	Pending as the new mining code of Madagascar has just been enacted	>100	Twenty years, renewable for twenty years each time

REASONS FOR AND BENEFITS OF THE ACQUISITION AND PROVISION OF THE LOAN

The Group is principally engaged in gold mining and production and sale of gold concentrates and related products. The Company is a limited liability company incorporated in Bermuda. The principal activity of the Company is investment holding.

As disclosed in the Company's annual report for the financial year ended 31 December 2022, the Group is proactively exploring investment opportunities to expand its existing gold mining portfolio and believes this is in the interests of maximising shareholder value.

As such, the Directors believe that the Acquisition, if materialised, will bring synergy to the Group's existing business and the Group will be able to further and significantly expand its own mineral portfolio to support the sustainable development of the Group in respect of growth and profit potential. Accordingly, the Directors are of the view that the Acquisition is on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

The terms of the Loan Agreement (including the interest rate) were arrived at by the Target Company and the Company after arm's length negotiation, having regard to the commercial practice and the amount and term of the Loan, and the Company's cost of financing from external parties. The proceeds of the Loan will be used by the Target Group for (i) establishing mining operations in the Antananarivo district of Madagascar, including without limitation, the setting up of gold station and to engage in the production and trade of gold in Madagascar and abroad such as United Arab Emirates and India; and (ii) conducting further independent technical assessments of the resource estimations of the Target Group's mining concessions with the aim of enhancing operational efficiency and profitability. The Loan is critical in providing funding to the Target Group for conducting technical assessments of the resource estimations of the Gold Mines and to establish mining operations of the Gold Mines. Hence, the provision of the Loan will facilitate the Acquisition. Having considered the benefits of the Acquisition to the Group's business development, the security for the Loan and the interest income to be brought to the Group from the Loan, the Board considered that the terms of the Loan Agreement were on normal commercial terms, fair and reasonable and in the interest of the Company and its shareholders as a whole.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purposes only, set out below is a summary of the shareholdings in the Company (i) as at the date of this announcement; and (ii) immediately after the allotment and issue of the maximum number of the Consideration Shares (assuming that there is no other change in the share capital of the Company):

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the maximum number of Consideration Shares	
	<i>No. of Shares</i>	%	<i>No. of Shares</i>	%
Qinlong Jinxin Mining Investment Limited	678,000,000	16.66	678,000,000	16.16
Profit Linkage Enterprises Limited	508,334,000	12.49	508,334,000	12.12
Golden Blossom Investment Limited	470,000,000	11.55	470,000,000	11.20
Lam Yuk Ying	330,000,000	8.11	330,000,000	7.87
Fung Wai Enterprises Ltd.	330,000,000	8.11	330,000,000	7.87
Chen Dengguang	205,250,000	5.04	205,250,000	4.89
The Vendor (or its designated nominee)	—	—	125,000,000	2.98
Other public Shareholders	1,548,688,221	38.05	1,548,688,221	36.92
Total	4,070,272,221	100.00	4,195,272,221	100.00

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition, when aggregated with the provision of the Loan, is more than 5% but all of the applicable percentage ratios are less than 25%, the Acquisition and the provision of the Loan constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

GENERAL

The SGM will be convened and held for the Shareholders to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Specific Mandate.

A circular containing, among other things, information on the Acquisition, the provision of the Loan, the issue of the Consideration Shares, and notice of the SGM will be despatched to the Shareholders as soon as practicable.

As Completion is subject to the fulfilment of the conditions precedent in the Sale and Purchase Agreement, which include the approval of the Shareholders at the SGM of the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Specific Mandate, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings ascribed to them respectively:

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors of the Company
“Business Day(s)”	any day (except a Saturday, Sunday and public holiday) on which banks in Hong Kong are open to the general public for business
“BVI”	the British Virgin Islands
“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

“Completion”	the completion of the Acquisition contemplated under the Sale and Purchase Agreement
“Completion Date”	on or before the fifth Business Day following the date on which the last conditions precedent set out in the Sale and Purchase Agreement has been fulfilled (or otherwise waived) or such other date as the parties may agree in writing
“connected persons”	has the same meaning ascribed to it under the Listing Rules
“Consideration”	the consideration in respect of the Acquisition
“Consideration Shares”	a maximum of 125,000,000 new Shares to be allotted and issued on the Completion Date to the Vendor at the Issue Price of HK\$0.8 per Share as consideration for the Acquisition
“Director(s)”	the director(s) of the Company
“Exploitation Licence”	the exploitation licence “Permis d’Exploitation” to be issued pursuant to the laws of Madagascar which entitles the Project Company to exploit, prospect, extract and mine gold deposits within the Gold Mines and which is expected to be obtained within six months from the date of the Sale and Purchase Agreement
“Gold Mines”	the twenty-one blocks of licensed gold mining concessions (with a gross area of not less than 100 km ²) located in the Antananarivo district of Madagascar
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Issue Price”	the issue price of HK\$0.8 per Consideration Share
“km ² ”	square kilometer
“Listing Committee”	the Listing Committee of the Stock Exchange

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan facility in the amount of US\$8,000,000 (equivalent to approximately HK\$62,400,000) made available by the Company to the Target Company on the terms and subject to the conditions set out in the Loan Agreement
“Loan Agreement”	the loan agreement to be entered into between the Company and the Target Company in respect of the Loan before Completion
“Licences”	collectively the Exploitation Licence and the Mining Licence
“Maturity Date”	the Original Maturity Date, the First Extended Maturity Date or the Second Extended Maturity Date, as the case may be
“Mining Licence”	the mining licence of 2007 issued in the name of Rasoarimanana Hobitiana on 20 September 2007 which was subsequently acquired by the Project Company with permit number 27976 covering part of the Gold Mines (namely one of the twenty one blocks of licensed gold mining concessions)
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Project Company”	Vantage International S.a.r.l., a company established in the Republic of Madagascar with limited liability which is directly owned as to 51% by the Target Company, 43% by the Vendor, 2% by Razakatsifera Maherinirina Jean Thierry, 2% by Andrianalisoa Vonimanitra Ralison, 1% by Emmanuel Heriniaina and 1% by Randriamanantena Betsara Joachim
“Purchaser”	Robust Market International Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between the Purchaser and the Vendor on 14 October 2023 in relation to the Acquisition
“Sale Shares”	51% of the total issued share capital in the Target Company as at the date of this announcement and at Completion
“SGM”	the special general meeting of the Company to be convened and held for the Shareholders to consider, and if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, including the Specific Mandate

“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate to be sought from the Shareholders at the SGM and to be granted to the Board for the allotment and issue of the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Keyman Capital Limited, an investment holding company incorporated in the BVI with limited liability and which is owned as to 62.78% by the Vendor, 22.22% by Huang Yanlin, 10% by Rakesh Rajagopal and 5% by Pang Chung Fai Benny
“Target Group”	the Target Company and its subsidiaries from time to time, including without limitation, the Project Company
“Vendor”	Dr. Prasannan Nedyedath, a businessman who is an Independent Third Party
“US\$”	United States Dollars, the lawful currency of the United States of America
“%”	per cent

In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate of HK\$7.80 per US\$1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By Order of the Board
Tongguan Gold Group Limited
Yeung Kwok Kuen
Executive Director and Chief Financial Officer

Hong Kong, 14 October 2023

As at the date of this announcement, the board of directors of the Company comprises Mr. Yeung Kwok Kuen, Mr. Shi Xing Zhi and Mr. Shi Sheng Li as executive directors, and Mr. Chu Kang Nam, Mr. Liang Xu Shu and Mr. Leung Ka Wo as independent non-executive directors.