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Wanguo International Mining Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3939)

CONNECTION TRANSACTION - SALES OF INGOTS

On 12 December 2012, Jianyang Electrical and Yifeng Wanguo, a wholly-owned subsidiary of the Group, entered into the Sales and Purchase Agreement, pursuant to which Yifeng Wanguo agreed to sell its lead ingots of approximately 183 tonnes to Jianyang Electrical for a total consideration of approximately RMB2.8 million (inclusive of VAT).

Jianyang Electrical is beneficially owned as to 98.86% by Mr. Gao. Accordingly, Jianyang Electrical is a connected person of the Company under Chapter 14A of the Listing Rules and the transaction under the Sale and Purchase Agreement constituted a connected transaction of the Company.

As the applicable percentage ratios of the transaction are more than 0.1% but less than 5%, the transaction under the Sale and Purchase Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

On 12 December 2012, Jianyang Electrical and Yifeng Wanguo, a wholly-owned subsidiary of the Group, entered into the Sales and Purchase Agreement, pursuant to which Yifeng Wanguo agreed to sell its lead ingots of approximately 183 tonnes to Jianyang Electrical for a total consideration of approximately RMB2.8 million (inclusive of VAT).

Parties involved

Jianyang Electrical (Buyer)

Yifeng Wanguo (Seller)

Subject of the sales and purchase agreement

Under the Sales and Purchase Agreement, Yifeng Wanguo agreed to sell its lead ingots of approximately 183 tonnes at a unit price of RMB15,250 per tonne (inclusive of VAT) to Jianyang Electrical on 12 December 2012. Jianyang Electrical picked up the lead ingots itself at a designated warehouse in Guangdong and fully settled the consideration

on 28 December 2012.

Consideration

The consideration for the transaction of approximately RMB2.8 million or RMB15,250 per tonne (inclusive of VAT) was determined based on arm's length negotiations between Jianyang Electrical and Yifeng Wanguo by reference to the market price of lead ingots at the date of the Sale and Purchase Agreement.

INFORMATION OF THE GROUP AND JIANYANG ELECTRICAL

The Group is principally engaged in the business of mining, ore processing and sale of the concentrates products in the PRC.

Jianyang Electrical is principally engaged in manufacturing of lead-acid storage cells, chemical products, etc. It operates independently from the Group. Mr. Gao beneficially owns [98.86]% of interest in Jianyang Electrical but does not participate in the daily operations of Jianyang Electrical.

REASON FOR ENTERING INTO THE TRANSACTION

As mentioned on page 158 of the Prospectus, the Group planned to cease the metal ingots trading business once the existing metal ingots inventories are sold in order to focus in the Group's core business. The Directors confirmed that, as mentioned on page 158 of the Prospectus, the Group has not purchased additional ingots since September 2011.

The Group intended to sell all its metal ingots inventories by the end of 2012 to better utilise its working capital. In 2012, the Group had already sold ingots of approximately 2,700 tonnes to independent third parties before entering into the Sale and Purchase Agreement.

The lead ingots sold under the Sale and Purchase Agreement were the last batch of ingot inventories of the Group and, upon completion of the transaction under the Sale and Purchase Agreement, the Group does not hold any ingots inventories. The Directors considered that it is in the best interest of the Company and its Shareholders as a whole for the Group to sell the ingots as soon as possible to reduce the rental cost of warehouse and utilise the working capital of the Group efficiently.

IMPLICATIONS UNDER THE LISTING RULES

Jianyang Electrical is beneficially owned as to 98.86% by Mr. Gao. Accordingly, Jianyang Electrical is a connected person of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios of the transaction are more than 0.1% but less than 5%, the transaction under the Sale and Purchase Agreement is subject to the reporting and announcement requirements but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONSIDERATIONS BY THE BOARD IN RESPECT OF THE TRANSACTION

The Directors acknowledge that they should have made an announcement relating to the Sale and Purchase Agreement as soon as practicable after it was entered into by Yifeng Wanguo. However, since the transaction under the Sales and Purchase Agreement relates to the sales of the Group's inventories in its ordinary course of business for an amount not material to the Group's operations, the Company's staff inadvertently assumed that the transaction was exempt from disclosure requirement until it was reviewed by the senior management of the Group.

The Board wishes to emphasise that the delay in this announcement was not intentional and the Company fully acknowledges that an announcement must be made in accordance with the applicable requirements of the Listing Rules as soon as practicable after the transaction is entered into.

The delay in this announcement being made by the Company has constituted a non-compliance of Rule 14A.47 of the Listing Rules. As a result of this incident, the Company has conducted an internal investigation and will strengthen its internal control measures to avoid occurrence of similar non-compliance in the future. The Company will also conduct accounting and financial reporting training to the relevant staff of the Group and ensure that the senior management will be promptly informed of circumstances potentially involving any connected transactions or notifiable transactions of the Company.

The Directors consider that the transaction under the Sales and Purchase Agreement has been entered into in the ordinary and usual course of business of the Company, was conducted on normal commercial terms, and is fair, reasonable and in the interests of the Company and the Shareholders as a whole. The Directors confirm that the sale of metal ingots under the Sale and Purchase Agreement to Jianyang Electrical was a one-off transaction and will not continue in the future as the Group does not hold any ingot inventories upon completion of the Sale and Purchase Agreement.

DEFINITIONS

In this announcement, the following expressions will have the following meanings unless the context otherwise requires:

"Board"	the board of Directors
"Company"	Wanguo International Mining Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange
"connected person"	has the meaning given to it under the Listing Rules
"controlling Shareholder"	has the meaning given to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"Jianyang Electrical"	Fujian Province Jianyang Wanguo Electrical Appliance Limited* (福建省建陽萬國電器有限公司), a company established under the laws of the PRC owned as to 98.86% by Mr. Gao and a connected person of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Gao"	Mr. Gao Mingqing, the chairman of the Company, an executive Director and a

	controlling Shareholder
"PRC"	the People's Republic of China
"Prospectus"	the prospectus of the Company dated 28 June 2012
"RMB"	Reminbi, the lawful currency of the PRC
"Sale and Purchase Agreement"	the sales and purchase agreement dated 12 December 2012 between Yifeng Wanguo and Jianyang Electrical for the sale of certain lead ingots by Yifeng Wanguo to Jianyang Electrical
"Share(s)"	Ordinary share(s) in the share capital of the Company with a par value of HK\$0.10 each
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"VAT"	value-added tax
"Yifeng Wanguo"	Jiangxi Province Yifeng Wanguo Mining Co., Limited (江西省宜豐萬國礦業有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
"%"	per cent

By the order of the Board
Wanguo International Mining Group Limited
Gao Mingqing
Chairman

Hong Kong, 23 January 2013

As at the date of this announcement, the executive Directors are Mr. Gao Mingqing, Ms. Gao Jinzhu, Mr. Xie Yaolin and Mr. Liu Zhichun; the non-executive Directors are Mr. Li Kwok Ping, Mr. Lee Hung Yuen and Mr. Wen Baolin; and the independent non-executive Directors are Dr. Lu Jian Zhong, Mr. Qi Yang, Mr. Shen Peng and Mr. Li Hongchang.

** - for identification purposes only*