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Real Gold

REAL GOLD MINING LIMITED

瑞金礦業有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 246)

**ANNOUNCEMENT
PURSUANT TO RULE 13.09 OF THE LISTING RULES**

This announcement is made pursuant to Rule 13.09 of Listing Rules.

Reference is made to the article published on the South China Morning Post on 17 June 2011 in relation to the 2010 Pledge. It was later revealed that there was also a similar pledge of the issued share capital of Fubon Industrial to the Bank in 2009, the 2009 Pledge.

The Board confirms that, as at the date of this announcement, both the 2010 Pledge and the 2009 Pledge were released by the Bank, and there was no other charges of issued share capital of any subsidiary of the Company.

Mr. Wu resigned as a director of Lita with effect from 16 June 2011. Following his resignation as a director of Lita and from positions in other companies in the Group, Mr. Wu no longer holds any position in the Group, apart from being the controlling shareholder of the Company.

With respect to the legality of the 2010 Pledge and the 2009 Pledge, the PRC Legal Adviser was of the view that the equity pledge agreements signed on 7 October 2010 and 27 September 2009 were invalid.

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 27 May 2011. The Company will make further announcements as and when appropriate to keep shareholders and the market generally apprised of the situation prior to any resumption of trading.

This announcement is made pursuant to Rule 13.09 of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

Reference is made to the article (the “Article”) published on the South China Morning Post on 17 June 2011 regarding Real Gold Mining Limited (the “Company” and with its subsidiaries, the “Group”). It is reported in the Article that in October 2010, the entire issued share capital of Fubon Industrial (Huizhou) Co., Limited (富邦工業(惠州)有限公司) (“Fubon Industrial”), an indirect wholly-owned subsidiary of the Company, was pledged as security for banking facilities (the “2010 Pledge”) for certain private entities outside the Group under the control of Mr. Wu Ruilin (“Mr. Wu”). The above pledge of Fubon Industrial was made in favour of Shanghai Pudong Development Bank, the Huizhou Branch (the “Bank”), the provider of the above banking facilities. As at the date of this announcement, Mr. Wu indirectly owns 41.20% of the issued share capital of the Company and is accordingly the controlling shareholder of the Company.

It was later revealed that there was also a similar pledge of the issued share capital of Fubon Industrial to the Bank in 2009 (the “2009 Pledge”), as described in further detail below.

The board of directors (the “Board”) of the Company confirms that, as at the date of this announcement, both the 2010 Pledge and the 2009 Pledge were released by the Bank, and there was no other charges of issued share capital of any subsidiary of the Company.

THE BOARD’S REVIEW OF THE 2010 PLEDGE AND THE 2009 PLEDGE

The Board was not aware of the 2010 Pledge and the 2009 Pledge until 13 June 2011. In light of the foregoing, the Board has reviewed the equity pledge agreements in relation to the 2010 Pledge and the 2009 Pledge, and the consent letters issued by the Bank regarding the release of the said pledges, which were received by the Company from the Bank on 16 June 2011. Set out below are the findings following the review of the above-mentioned documents:

The 2010 Pledge

On 7 October 2010, the Bank and Lita Investment Limited (“Lita”), a wholly-owned subsidiary of the Company and the immediate holding company of Fubon Industrial, entered into an equity pledge agreement, pursuant to which Lita agreed to pledge the entire issued share capital of Fubon Industrial as security for an aggregate amount of RMB240 million of banking facilities (the “2010 Facilities”) available to the four private companies under Mr. Wu’s control. Without informing the Board, Mr. Wu, the then director of Lita, signed the above equity pledge agreement on behalf of Lita.

On 16 June 2011, a consent letter was issued by the Bank, formally releasing the 2010 Pledge.

The 2009 Pledge

On 27 September 2009, the Bank and Lita entered into another equity pledge agreement, pursuant to which Lita agreed to pledge approximately 97.14% of the issued share capital of Fubon Industrial, as security (the “2009 Pledge”) for an aggregate amount of RMB100 million of banking facilities (the “2009 Facilities”) available to the two private companies under Mr. Wu’s control. The above equity pledge agreement was also signed by Mr. Wu on behalf of Lita and without informing the Board.

On 27 September 2010, a consent letter was issued by the Bank, formally releasing the 2009 Pledge.

Resignation of Mr. Wu as a director of Lita

Mr. Wu resigned as a director of Lita with effect from 16 June 2011. The Board has reviewed the resignation letter submitted by Mr. Wu and the resolution in writing signed by the director of Lita approving the said resignation. In his resignation letter dated 16 June 2011, Mr. Wu confirmed that he had no claim against Lita whatsoever whether in respect of fees, remuneration or compensation for loss of office.

Following his resignation as a director of Lita and from positions in other companies in the Group, Mr. Wu no longer holds any position in the Group, apart from being the controlling shareholder of the Company.

Legality of the 2010 Pledge and the 2009 Pledge

With respect to the legality of the two equity pledge agreements mentioned above, the Company has appointed an independent PRC legal adviser, Commerce & Finance Law Offices (通商律師事務所) (the “PRC Legal Adviser”). Pursuant to the legal opinion dated 19 June 2011 issued by the PRC Legal Adviser, the PRC Legal Adviser was of the view that the equity pledge agreements signed on 7 October 2010 and 27 September 2009 were invalid.

Internal Control

After the Initial Public Offering of the shares of the Company in February 2009, we have engaged a third party independent internal control consulting firm to conduct once every year a review of the internal control of the Group for purposes of continual improvement of its internal control. In light of this incident, the Board of Directors is resolved to take strong action to strengthen the internal control of the Company.

Suspension of trading

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 27 May 2011.

The Company will make further announcements as and when appropriate to keep shareholders and the market generally apprised of the situation prior to any resumption of trading.

By order of the Board
Real Gold Mining Limited
Lu Tianjun
Chairman

Hong Kong, 19 June 2011

As at the date of this announcement, the executive Directors are Mr. Lu Tianjun (Chairman), Mr. Ma Wenxue, Mr. Cui Jie and Mr. Li Qing; and the independent non-executive directors of the Company are Mr. Mak Kin Kwong, Mr. Zhao Enguang, Mr. Xiao Zuhe and Mr. Yang Yicheng.