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REAL GOLD MINING LIMITED

瑞 金 礦 業 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 246)

INDEPENDENT FORENSIC INVESTIGATION REPORT

References are made to the Announcements dated 27 May 2011, 30 March 2012 and 31 March 2014.

The Board wishes to provide an update to the Shareholders regarding the latest development in the fulfillment of the Resumption Conditions in the form of a summary of the findings and recommendations of FTI in its independent forensic investigations with respect to the Original Scope.

References are made to the announcement of the Company dated 27 May 2011 in relation to the suspension of trading in the shares of the Company on the Stock Exchange, the announcement of the Company dated 30 March 2012 on the Resumption Conditions, and the announcement of the Company dated 31 March 2014 in relation to the update on progress on the Company's fulfillment of the Resumption Conditions (the "**Announcements**"). Capitalised terms not otherwise defined herein shall have the same meanings given to them in the Announcements.

The Board wishes to provide an update to the Shareholders regarding the latest development in the fulfillment of the Resumption Conditions. As part of the Resumption Conditions, it was required that an independent forensic specialist be engaged to conduct forensic accounting investigations in respect of certain matters set out in the Company's announcement dated 30 March 2012.

FTI, the independent forensic specialist engaged for this purpose, has finalized a report (the "**Report**") in respect of their forensic investigation with respect to the Original Scope on 31 March 2014. This announcement aims to summarize the key findings and recommendations as set out in the Report with respect to the Original Scope.

BACKGROUND, SCOPE AND OBJECTIVES OF THE INVESTIGATION

References are made to the announcements made by the Company on 30 May, 1 June, 19 June and 22 August 2011 pursuant to Rule 13.09 of the Listing Rules.

As mentioned in the announcement made by the Company on 30 March 2012, one of the Resumption Conditions is the engagement of an independent forensic specialist to conduct forensic accounting investigations with respect to:

1. alleged discrepancies between the financial information in the Company's 2009 annual report and that obtained by SCMP from AIC;
2. the execution of the Pledges without the Board's prior knowledge or approval; and
3. the existence of undisclosed connected transactions entered into in the first half of 2011 without complying with the Listing Rules, being the Acquisition and the granting of the Loans.

FTI was engaged on 10 August 2012 to conduct forensic accounting investigations in respect of the above matters, being the "**Original Scope**" of its investigations, as part of the fulfillment of the Resumption Conditions.

KEY FINDINGS OF THE INVESTIGATION

Based on the Report prepared by FTI with respect to the Original Scope, the key findings of FTI are summarised below.

Alleged AIC Filing Discrepancies

Details of the allegations made by SCMP in relation to the Group's AIC filings are set out in the announcements made by the Company on 30 May and 1 June 2011.

FTI obtained from the Company: (1) copies of the AIC filings of the Three Operating PRC Subsidiaries obtained by King & Wood from AIC in Chifeng, Inner Mongolia, PRC; and (2) the consolidated working schedule of the Company for the year ended 31 December 2009. It was alleged by SCMP that the AIC filings they obtained showed that each of the Three Operating PRC Subsidiaries generated a net loss. However, in the AIC filings obtained by King & Wood, net profits were reported for each of the Three Operating PRC Subsidiaries for the year ended 31 December 2009. Upon comparison between the AIC filings obtained by King & Wood and the consolidated working schedule of the Company for the year ended 31 December 2009, FTI identified no discrepancies for the revenue and minor discrepancies (which were subsequently cleared up to the satisfaction of FTI) for the net profit reported for the year ended 31 December 2009.

FTI also reviewed correspondence from the former auditors of the Group. The former auditors of the Group provided written confirmation that the financial information contained in the AIC filings obtained by King & Wood was consistent with the management accounts that were previously provided to them for auditing purposes.

FTI also compared the AIC filings obtained by King & Wood with the filings of the Three Operating PRC Subsidiaries obtained from the SAT for the years ended 31 December 2009 and 31 December 2010 and noted certain discrepancies with respect to the revenues reported therein. In light of the discrepancies, FTI made enquiries with certain directors of the Company and management personnel of the relevant subsidiaries. The discrepancies were subsequently cleared up to the satisfaction of FTI.

As at the date of the Report, FTI had been unable to independently retrieve any filings from the relevant offices of AIC. Based on the filings retrieved by King & Wood that FTI obtained from the Company, FTI's investigations show no manipulation or misstatement of the Group's revenue, profit and cash position. After the finalization of the Report, the Company has arranged for its authorized personnel to retrieve filings from the relevant AIC offices in person under FTI's supervision during the week of 14 April 2014. Further details will be set out in an announcement to be published in due course.

Share Pledges of Fubon Industrial

Details of the Pledges of Fubon Industrial are set out in the announcement made by the Company on 19 June 2011.

In relation to the Pledges, FTI has: (i) reviewed the pledge documents relating to the Pledges and the Company's books and records; (ii) conducted interviews with certain directors of the Company; (iii) conducted computer forensic investigations in electronic data available in Hong Kong and the PRC; (iv) performed forensic review on the financial data extracted from the accounting system of the Company and its subsidiaries for the period of 2009 to 2012; and (v) liaised with various branches of various banks to ascertain whether there had been any other pledges over the assets of the Company and its subsidiaries.

FTI's review shows that no transactions indicative of the Pledges were recorded in the accounting records of the Company and its subsidiaries. The Board was not aware of the Pledges until after the Company was approached by SCMP in June 2011. The Pledges had been released by the SPD Bank in 2010 and 2011. Other than the Pledges, FTI did not identify any pledges of the Company or its subsidiaries created in the period from the listing of the Company up to 31 March 2012. The Report also states that FTI's investigations show no events or issues that require attention in relation to any misappropriation (or attempted misappropriation) of the Company's assets through the Pledges. However, FTI is of the opinion that during the period when the Pledges were in force, the Company had been exposed to the risk of having the control of a very substantial portion of its assets in the PRC transferred to the SPD Bank should the companies in question related to Mr. Wu have defaulted on their loans. This risk however had not transform into a loss as the companies had not defaulted in the relevant period.

On a separate note, it was confirmed that Ping An Bank, Shuibeizhubao Branch, was the pledgee bank of pledges that involved the time deposits of Rich Vision ("**Rich Vision Pledges**") that were created in the period from 26 April 2012 to 8 January 2013, which falls outside of the period of the Original Scope. Details of the Rich Vision Pledges are set out in the Company's announcement dated 23 May

2013, and, as mentioned in another announcement of the Company dated 28 June 2013, it had been agreed with FTI that the scope of work undertaken by FTI would be expanded to include, among other things, investigating into the circumstances leading to the creation of the Rich Vision Pledges (“**Expanded Scope**”). FTI’s findings and recommendations with respect to the Expanded Scope are to be set out in a separate report, which is expected to be finalized by the end of May 2014.

Acquisition of the Mining and Exploration Rights

Details of the Acquisition are set out in the announcement made by the Company on 22 August 2011.

In respect of the Acquisition, FTI has: (i) reviewed the relevant mining and exploration licenses, the relevant transaction documents, draft legal opinions prepared by the Company’s PRC and Mongolian legal advisors and the Company’s board minutes, bank statements and accounting records in the relevant time period; and (ii) conducted interviews with certain directors and management of the Company and its subsidiaries.

Based on FTI’s investigations, the executive directors of the Company at the time of the Acquisition omitted to address the relevant approval and disclosure requirements under the Listing Rules. FTI’s review of the accounting records and bank statements of the Company confirms that a sum of HKD449.2 million was paid out of the Company in connection with the Acquisition to Top Lucky, the owner of the mining and exploration licenses, and certain other entities purported to be nominated by Top Lucky. FTI also noted that the Company subsequently issued a notice of termination to Top Lucky, requesting a refund of the amounts paid under the Acquisition Agreements.

FTI was not able to identify any clear basis for the agreed consideration for the Acquisition, other than the representation by Top Lucky that the value of the mineable resources would not be lower than the amount of the agreed consideration. FTI is also of the opinion that the payments made to payees other than Top Lucky without proper written instruction from Top Lucky could give rise to a potential risk in the event that Top Lucky denied to have received any of the payments made by the Company.

FTI also noted during its investigations that the Company had entered into a letter of intent (the “**First Letter of Intent**”) with Qiaoxing Electronics on 16 August 2009 the purpose of which was to acquire an exploration license in relation to a mine in the People’s Republic of Mongolia. A deposit of HKD19,998,800 was made by the Company on 18 August 2009 pursuant to the First Letter of Intent, and the Company was entitled to the exclusive right to perform due diligence on the mine. The parties also agreed that if, after conducting due diligence, the Company confirmed that the level of resources of the mine met the acquisition standards of the Company, an acquisition price would be determined and the deposit of HKD19,998,800 would be applied as part of the purchase consideration of the acquisition. The intended acquisition did not proceed and the deposit paid was fully refunded to the Company on 30 December 2009. FTI noted that the underlying transaction of the First Letter of Intent executed with Qiaoxing Electronics does not satisfy the relevant ratio requirement for it to be notified and disclosed under Chapter 14 of the Listing Rules. FTI was unable to ascertain whether Qiaoxing Electronics was a connected person of the Company under Chapter 14A of the Listing Rules at the time

of the signing of the First Letter of Intent based on the information available. However, FTI stated in the Report that it had reason to believe that Qiaoxing Electronics was in some way connected to Mr. Wu.

During the course of its investigation, FTI noted that the Company had entered into another letter of intent (the “**Second Letter of Intent**”) with an individual by the name of Han Kai (“**Mr. Han**”) on 31 October 2009. According to the Second Letter of Intent, Mr. Han held 100% of the shares in Powerful Joy, which in turn held 80% of the shares in New Asia, the owner of the exploration rights to three mines in the People’s Republic of Mongolia. The Company paid a total deposit of HKD150 million on 2 November 2009 pursuant to the Second Letter of Intent, and the Company was entitled to the exclusive right to perform due diligence on the three mines with a view to acquiring 100% of the shares in Powerful Joy. The parties also agreed that if, after conducting due diligence, the Company confirmed that the level of resources of the three mines met the acquisition standards of the Company, an acquisition price would be determined and the total deposit of HKD150 million would be applied as part of the purchase consideration of the acquisition. In the end, the acquisition did not materialize and the deposit paid was fully refunded to the Company on 30 December 2009. FTI was of the view that since the highest applicable ratio of the transaction contemplated under the Second Letter of Intent exceeded 5%, the transaction should be notified and disclosed under Chapter 14 of the Listing Rules. FTI was unable to ascertain whether the agreement was made with a connected person (as defined in Chapter 14A of the Listing Rules) of the Company.

Loans to Mr. Wu

The Company’s announcement dated 22 August 2011 sets out details of the Loans made to Mr. Wu by the Company during the period from February to April 2011 in the sum of approximately HKD955 million, which was the sum of the drawn-down amounts of the Loans. FTI noted that the loan of approximately HKD316 million plus accrued interests of approximately HKD29 million (totaling approximately HKD345 million) remained outstanding as at 31 May 2012.

As FTI noted in its investigations, the executive directors of the Company at the time that the Loans were granted omitted to address the relevant approval and disclosure requirements under the Listing Rules. Also, Mr. Wu, not being a member of the Company’s management, had certain influence over the operation of certain bank accounts of the Company. Furthermore, two of the Loans granted by the Company to Mr. Wu were non-interest bearing, and, as such, the transactions in relation thereto were not in the interest of the Company.

Debt Restructuring

FTI noted that the Company entered into the Debt Restructuring Agreement on 26 June 2012 in light of the outstanding loan (plus accrued interests) of approximately HKD345 million as at 31 May 2012 and the sum of HKD449.2 million owed by Top Lucky under the Acquisition Agreements, totaling approximately HKD794 million (the “**Debts**”). Pursuant to the Debt Restructuring Agreement, the Company agreed not to pursue the repayment of the Debts against Mr. Wu and Top Lucky on the basis

that the Debts were assumed by the New Debtors. According to FTI's findings, a principal amount of approximately HKD165 million remained outstanding under the Debt Restructuring Agreement as at the date of the Report.

Computer Forensic Investigations

FTI noted that the hard disks from which the electronic data of the Company in the PRC were obtained for purposes of computer forensic investigations only contained electronic data that were created from September or October 2012 onwards. FTI was advised by the Company's information technology support personnel in the PRC that the hard disks of the computers located at the Company's office premises in the PRC were replaced prior to FTI's attendance in December 2012 to image them. FTI also noted that the current hard disks were manufactured between September and October 2012 and the previous hard disks were disposed of in the PRC without data having been backed up or transferred.

RECOMMENDATIONS FOR CONTROLS, POLICIES AND PROCEDURES

FTI identified certain deficiencies in the Group's existing controls, policies and procedures relevant to the subject matters of the investigation in the Report, including (but not limited to) the following:

1. lack of criteria and guidelines in mine acquisition and granting of loans and creation of pledges;
2. lack of guidelines in place regarding the applicability of the disclosure requirements under the Listing Rules;
3. sole directorship of certain subsidiaries of the Company which meant that an oversight function was lacking at these subsidiaries;
4. lack of due diligence (including lack of valuation in acquisitions) with respect to acquisitions made and loans granted by the Group;
5. lack of consistency and clarity in relation to the internal approvals needed for certain transactions;
6. lack of knowledge of certain directors as to the policies in place (and documentation thereof) in relation to acquisitions;
7. lack of written policy and procedures in relation to the preparation and submission of AIC filings; and
8. lack of a proper data backup procedure leading to data not backed up or transferred upon the disposal of hard disks in the PRC.

In light of the deficiencies identified by FTI in the Company's existing controls, policies and procedures relevant to its investigations, FTI has made certain recommendations, which include (but are not limited to) the following:

1. A set of guidelines and criteria should be established for the purpose of objectively assessing and evaluating potential acquisitions of mines, and significant acquisitions discussed and approved at Board meetings should be documented.
2. Internal controls relating to the approval of payments made by the Company or any of its subsidiaries should be strengthened, including those relating to the authorised signatories of bank accounts.
3. The audit and risk management committee of the Board should be responsible for the review of loans to be granted by the Company or its subsidiaries.
4. The provision of loans should not be frequently engaged.
5. Sole directorship of the subsidiaries of the Company should be avoided.
6. All significant matters considered or approved and important decisions made by the Group's subsidiaries should be properly documented and reported to the Company in a timely manner.
7. Any financial statements to be included in the AIC filings should be properly reviewed and approved by the relevant finance head and the directors of the corresponding PRC subsidiary.
8. A register of all AIC filings should be maintained for each PRC subsidiary.
9. Where appropriate or necessary, affairs of the Company's subsidiaries should be brought to the attention of the Board, which, with its independent non-executive directors, should ensure that matters in relation to the subsidiaries are considered with the interests of the Group in mind and resolutions passed are in the interests of the Group.
10. Where appropriate or necessary, the Company's company secretary and/or legal adviser should be involved to ensure full compliance of the Listing Rules, particularly any disclosure requirements.
11. Information technology processes should be in place to ensure regular backup and there should be central storage of records and data in each business location of the Group.

The Board has reviewed FTI's findings and recommendations set out in the Report with respect to the Original Scope, and will endeavour to implement the necessary remedial measures recommended therein as soon as practicable.

SUSPENSION OF TRADING

Trading in the shares of the Company will remain suspended until further notice.

DEFINITIONS

“2009 Pledge”	The pledging of Lita’s shares in Fubon Industrial to the SPD Bank pursuant to the pledge agreement dated 27 September 2009
“2010 Pledge”	The pledging of Lita’s shares in Fubon Industrial to the SPD Bank pursuant to the pledge agreement dated 7 October 2010
“Acquisition”	The acquisition of mining and exploration rights by the Company in relation to two phosphorus mines situated in Khovsgol Province, Mongolia
“Acquisition Agreements”	The acquisition agreement dated 2 January 2011 and supplemental agreement dated 9 March 2011 in relation to the Acquisition
“AIC”	Administration of Industry and Commerce of the PRC
“Balinzuo Guotao”	Balinzuo Banner Guotao Materials Products Trading Company Limited
“Board”	Board of directors of Real Gold Mining Limited
“Chifeng Nantaizi”	Chifeng Nantaizi Mining Company Limited
“Chifeng Shirengou”	Chifeng Shirengou Mining Company Limited
“Company”	Real Gold Mining Limited
“Debt Restructuring Agreement”	The debt restructuring agreement dated 26 June 2012 entered into amongst the Company, Mr. Wu, Top Lucky and the New Debtors
“FTI”	FTI Consulting (Hong Kong) Limited
“Fubon Industrial”	Fubon Industrial (Huizhou) Company Limited
“Group”	The Company and its subsidiaries
“HKD”	Hong Kong dollars, the legal currency of Hong Kong Special Administrative Region
“King & Wood”	King & Wood (now King & Wood Mallesons), PRC legal adviser to the Company
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange

“Lita”	Lita Investment Limited
“Loans”	The three loans pursuant to the three loan agreements entered into between the Company and Mr. Wu dated 23 February 2011 (one loan agreement entered into) and 6 April 2011 (two loan agreements entered into)
“Mr. Wu”	WU Ruilin (Substantial Shareholder (as defined in the Listing Rules) of the Company)
“New Asia”	新亞洲南戈壁礦業有限公司
“New Debtors”	Quanmin Investments Limited and Victory Gold Management Inc.
“Pledges”	The 2009 Pledge and the 2010 Pledge
“Powerful Joy”	Powerful Joy Development Limited
“PRC”	People’s Republic of China
“Qiaoxing Electronics”	Qiaoxing Electronics Holdings Company Limited
“Resumption”	Resumption of trading in the shares of the Company on the Stock Exchange
“Resumption Conditions”	The conditions for the Resumption imposed on the Company by the Stock Exchange, as set out in the Company’s announcement dated 30 March 2012
“Rich Vision”	Rich Vision Holdings Limited
“SAT”	Local office of State Administration of Taxation of the PRC
“SCMP”	South China Morning Post
“Shareholders”	The shareholders of the Company
“SPD Bank”	Shanghai Pudong Development Bank, Huizhou branch
“Special Investigation Committee”	A special investigation committee of the Company established on 28 July 2011 responsible for conducting internal investigations into allegations made by SCMP against the Company as well as for the purposes of responding to market speculation and regulatory enquiries
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Three Operating PRC
Subsidiaries”

Balinzuo Guotao, Chifeng Nantaizi and Chifeng Shirengou

“Top Lucky”

Top Lucky Management Limited

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

Chifeng City, Inner Mongolia, 25 April 2014

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 are Mr. Li Xiaoping, Mr. Zhao Enguang and Mr. Yang Yicheng.