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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)**

### **INSIDE INFORMATION**

#### **DISPOSAL OF THE ENTIRE EQUITY INTEREST IN FUBON AND GREAT FUTURE**

This announcement is made pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

On 13 January 2020, the Vendor, being a subsidiary directly held and wholly owned by the Company, entered into the Agreement with the Purchaser, pursuant to which the Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the entire equity interest in each of Fubon and Great Future at a preliminary consideration of RMB1,000,000.

As none of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceeds 5%, the Disposal is not subject to the notification, announcement or shareholder approval requirement under Chapter 14 of the Listing Rules.

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The principal terms of the Agreement are as follows:

<b>Parties</b>	Vendor: Lita Investment Limited Purchaser: 赤峰隆益泰礦業有限責任公司 (Chifeng Longyitai Mining Co. Ltd.*)
<b>Assets Disposed</b>	Under the Agreement, the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the entire equity interests in each of Fubon and Great Future (together with their relevant rights and obligations).
<b>Consideration</b>	The preliminary Consideration payable by the Vendor is RMB1,000,000, which was determined after arm's length negotiations among the parties to the Agreement on normal commercial terms with reference to the preliminary valuation of the assets of each of Fubon and Great Future. The final amount of the Consideration shall be confirmed by the valuation report to be issued by an independent valuer (the " <b>Report</b> "), and in the event that the valuation as stated in the Report is higher than RMB1,000,000, such amount shall replace the Consideration, otherwise the Consideration shall remain unchanged.
<b>Conditions precedent</b>	Completion will be subject to the following conditions precedent:  (i) the passing of the necessary resolution(s) by the Board with respect to the Agreement and the transactions contemplated thereunder;  (ii) if necessary, the convening of an extraordinary general meeting of the Company to approve the Agreement and the transactions contemplated thereunder;  (iii) the SFC permitting and the Listing Committee of the Stock Exchange having granted the approval for the resumption of trading in the shares of the Company on the Stock Exchange; and  (iv) an independent valuer having issued the Report no later than 15 April 2020.
<b>Due Diligence Review</b>	The Purchaser may, within 14 days upon the date of the Agreement, conduct a due diligence review on, including but without limitation, the incorporation and subsisting status, the assets, liabilities, financial status, legal status and business operations of each of Fubon and Great Future.

## **INFORMATION OF THE PURCHASER**

赤峰隆益泰礦業有限責任公司 (Chifeng Longyitai Mining Co. Ltd.\*) is a company established under the laws of the PRC with limited liability. Its principal business is the sale of concentrates and mining machinery. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

## **INFORMATION OF THE VENDOR**

The Vendor is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. It is a direct wholly-owned subsidiary of the Company.

## **INFORMATION OF THE GROUP, FUBON AND GREAT FUTURE**

The Group is principally engaged in the mining of gold and the processing of ore into concentrates containing gold and other minerals for subsequent sale.

Fubon is a company incorporated under the laws of the PRC with limited liability and is an investment holding company. It owns the entire equity interest in 赤峰富僑礦業有限公司 (Chifeng Fuqiao Mining Co., Ltd.\*), which in turn holds (i) the entire equity interest in 赤峰石人溝金礦有限責任公司 (Chifeng Shirengou Mining Co., Ltd.\*) and its mining permit (permit number: C1500002011114140120500), (ii) the entire equity interest in 赤峰南台子金礦有限公司 (Chifeng Nantaizi Mining Co., Ltd.\*) and its mining permits (permits number: C1500002011044140112508 and T15120080702012284), (iii) the entire equity interest in 巴林左旗國濤礦產品貿易有限公司 (Balinzuo Banner Guotao Materials Products Trading Co., Ltd.\*) and its mining permit (permit number: C1500002011044210112495), and (iv) 70% of the equity interests in 內蒙古四子王旗高台礦業有限責任公司 (Inner Mongolia Siziwangqi Gaotai Mining Company Limited\*) and its mining permit (permit number: C1500002011034120108443).

Great Future is a company incorporated under the laws of the Cayman Islands with limited liability and is an investment holding company. It owns 85% of the equity interests in 廣西金鼎礦業有限公司 (Guangxi Jinding Mineral Resources Co., Ltd.\*) and its mining permits (permits number: T45120080602008501, T45120080602008502, T45120080602008500 and T45120080602009135).

## **REASONS FOR THE DISPOSAL**

As disclosed in the previous announcements of the Company, all the mining and exploration activities of the mines of the Group were suspended and the Directors have had concern over the profitability of the mines that could be operated by the Group. The Directors are of the view that continued extraction from the existing locations is not commercially viable, whilst the Disposal will optimise the assets structure of the Company and allow the Company to focus on the operation of the mines to be acquired by the Group, and focus its management resources to re-establish its core business with a view to enhancing competitiveness.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## **FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS**

Immediately after Completion, each of Fubon and Great Future will cease to be a subsidiary of the Group. Accordingly, financial results in each of Fubon and Great Future will cease to be consolidated into the financial statements of the Group.

The Group intends to apply the total net proceeds from the Disposal for the Group's general corporate working capital.

## **GENERAL**

As none of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules exceeds 5%, the Disposal is not subject to the notification, announcement of shareholder approval requirement under Chapter 14 of the Listing Rules. Nevertheless, given that both Fubon and Great Future constitute substantial parts of business of the Group, in the event that the Disposal triggers any disclosure obligations under Chapter 14 of the Listing Rules, the Company undertakes to re-comply with the relevant requirements under the applicable Listing Rules and will issue further announcement(s) to provide update to the Shareholders and potential investors as and when appropriate.

Trading in the shares of the Company has been suspended since 27 May 2011 and will remain suspended until further notice.

## **DEFINITIONS**

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Agreement”	the disposal agreement dated 13 January 2020 entered into between the Vendor and the Purchaser
“Board”	the board of Directors
“Company”	Real Gold Mining Limited, a company incorporated under the laws of the Cayman Islands on 13 March 2008. Its shares are listed on the Stock Exchange but the trading of the shares is currently suspended
“Completion”	the completion of the Disposal
“Consideration”	the consideration paid and to be paid under the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 100% equity interest in each of Fubon and Great Future pursuant to the Agreement
“Fubon”	富邦工業(惠州)有限公司 (Fubon Industrial (Huizhou) Co., Ltd*), a company incorporated under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

“Great Future”	Great Future Investments Limited, a company incorporated under the laws of the Cayman Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owner(s) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China
“Purchaser”	赤峰隆益泰礦業有限責任公司 (Chifeng Longyitai Mining Co. Ltd.*), a company established under the laws of the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Lita Investment Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company
“%”	per cent

By order of the Board  
**Real Gold Mining Limited**  
**Lu Chunxiang**  
*Chairman*

Hong Kong, 23 January 2020

*As at the date of this announcement, the executive directors are Mr. Lu Chunxiang (Chairman), Mr. Li Feng, Mr. Ren Yancheng, Mr. Guo Honggang and Mr. Kirk Vincent Wiedemer; and the independent non-executive directors are Mr. Liu Aiguo and Ms. Wang Xu.*

\* For identification purposes only