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## DEFINITIONS

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

“6M2022”	the six months ended 30 June 2022
“6M2023”	the six months ended 30 June 2023
“1H2023”	the first half of year 2023
“2H2023”	the second half of year 2023
“Accountants’ Report”	the accountants’ report of our Company, the text of which is set out in Appendix I to this document
“affiliate(s)”	any other person(s), directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council
“Articles of Association” or “Articles”	the amended and restated articles of association of our Company, conditionally adopted on [●] 2023, which will take effect on the [REDACTED], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix IV to this document, and as amended from time to time
“associate(s) or “close associates”	has the same meanings ascribed thereto under the Listing Rules
“Baiheng”	煙台市百恒金礦有限公司 (Yantai Baiheng Gold Mine Co. Ltd.*), a limited liability company established in the PRC on 2 June 1984 and is a connected person. As at the Latest Practicable Date, Baiheng was wholly-owned by SDZJ
“Board”, “Board of Directors” or “our Board”	the board of Directors
“Business Day” or “business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licenced banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands



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“Controlling Shareholder”	has the same meaning ascribed thereto under the Listing Rules and, in the context of this document, means Majestic Gold
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“COVID-19”	coronavirus disease 2019, a disease caused by a novel virus designated as severe acute respiratory syndrome coronavirus 2
“Criminal Law”	the Criminal Law of the PRC (《中華人民共和國刑法》), as amended, supplemented or otherwise modified from time to time
“CAD”	Canadian dollars, the lawful currency of Canada
“CSRC”	the China Securities Regulatory Commission (中國證券監督管理委員會), a regulatory body responsible for the supervision and regulation of the PRC national securities markets
“Dahedong”	煙台市大河東選礦有限公司 (Yantai City Dahedong Mineral Processing Co. Ltd.*), a limited liability company established in the PRC on 14 December 2009, a minority shareholder of Yantai Zhongjia which held 25% of the entire equity interest in Yantai Zhongjia, and is a connected person. As at the Latest Practicable Date, Dahedong was owned as to 50% by Mr. Kong Fanbo, and the remaining equity interests held in equal share of approximately 16.67% by each of (i) Mr. Kong Fanzhong; (ii) Mr. Wang Lei; and (iii) SDZJ
“Deed of Indemnity”	the deed of indemnity dated [●] 2023 and entered into by the Controlling Shareholder (as indemnifier) in favour of our Company (for ourselves and as trustee for each of our subsidiaries), particulars of which are set out in the section headed “Statutory and general information — E. Other information — 1. Estate duty, tax and other indemnity” in Appendix V to this document
“Deed of Non-competition”	the deed of non-competition undertaking dated [●] 2023 executed by the Controlling Shareholder in favour of our Company (for ourselves and as trustee for of each of our subsidiaries), particulars of which are set out in the section headed “Relationship with our Controlling Shareholder — Deed of Non-competition” in this document
“Director(s)” or “our Director(s)”	the director(s) of our Company

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[REDACTED]	[REDACTED]
“Dr. Shao”	Dr. Shao Xuxin (邵緒新), an Executive Director, the chairman of our Board and our chief executive officer
[REDACTED]	[REDACTED]
“EIT”	the PRC enterprise income tax
“EIT Law”	the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法), as amended, supplemented or otherwise modified from time to time
“EIT Regulation”	the Regulation on the Implementation of the Enterprise Income Tax Law of the PRC (中華人民共和國企業所得稅法實施條例), as amended, supplemented or otherwise modified from time to time
“Executive Director(s)”	the executive Director(s)
“Extreme Conditions”	extreme conditions caused by a super typhoon as announced by the Government of Hong Kong
“F&S” or “Frost & Sullivan”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., a market industry consultant engaged by our Company to prepare the F&S Report and an Independent Third Party
“F&S Report”	the industry report prepared by Frost & Sullivan and commissioned by our Company, the content of which is set out in the section headed “Industry Overview” of this document
[REDACTED]	[REDACTED]
“FY2020”	the financial year ended 31 December 2020
“FY2021”	the financial year ended 31 December 2021
“FY2022”	the financial year ended 31 December 2022

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**DEFINITIONS**

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“GDP”	gross domestic product
[REDACTED]	[REDACTED]
“Group”, “our Group”, “we”, “our” or “us”	our Company and our subsidiaries or, where the context otherwise requires, in respect of the period before our Company became the holding company of our present subsidiaries, such subsidiaries as if they were our subsidiaries at the relevant time, and the businesses carried on by them or their predecessors (as the case may be)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC

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**DEFINITIONS**

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[REDACTED]

[REDACTED]

“Hong Kong dollar(s)” or “HK\$”

Hong Kong dollar(s), the lawful currency of Hong Kong

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“IAS”

International Accounting Standards

“IFRS”

International Financial Reporting Standards promulgated by the International Accounting Standards Board, IFRS includes IAS and interpretation

“Independent Non-Executive Director(s)”

our independent non-executive Director(s)

“Independent Third Party(ies)”

individual(s) or company(ies) who or which is or are independent of and not connected with (within the meaning of the Listing Rules) any directors, chief executive, or substantial shareholders of our Company or our subsidiaries or any of their respective associates

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Issue Mandate”

the general unconditional mandate given to our Board by the Shareholders relating to allot, issue and deal with Shares, a summary of which is contained in the section headed “Statutory and general information — A. Further information about our Group — 6. Written resolutions of our Shareholders passed on [●]” in Appendix V to this document

“Land Administration Law”

the Land Administration Law of the PRC (《中華人民共和國土地管理法》), as amended, supplemented or otherwise modified from time to time

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“Latest Practicable Date”	15 November 2023, being the latest practicable date prior to the printing of this document for the purpose of ascertaining certain information contained in this document
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“M&A Rules”	the Rules on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定), as amended, supplemented or otherwise modified from time to time
“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Majestic Gold”	Majestic Gold Corp. (formerly known as (i) Byron Resources Inc. from 30 October 1986 to 2 September 1992 and (ii) Select Ventures Inc. from 3 September 1992 to 2 December 1996), a company incorporated under the laws of the province of British Columbia, Canada with limited liability by shares on 30 October 1986 and listed on the TSX Venture Exchange (stock code: MJS.V). As at the Latest Practicable Date, Majestic Gold has no ultimate controlling shareholder and was owned as to approximately 80.01% by public shareholders who were Independent Third Parties, approximately 16.34% by Mr. Kong Fanzhong and his child, Mr. Kong Ning (孔寧) collectively, approximately 3.64% by Mr. Wang Lei and approximately 0.01% by Mr. Mackie James Thomas, an Executive Director. Majestic Gold is the Controlling Shareholder of our Company
“Majestic Yantai BVI”	Majestic Yantai Gold Ltd., a company incorporated under the laws of the BVI with limited liability on 1 July 2004 and a direct wholly-owned subsidiary of our Company



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“MEE”	the Ministry of Ecology and Environment of the PRC (中華人民共和國生態環境部), the successor of the former Ministry of Environmental Protection of the PRC (中華人民共和國環境保護部)
“MEM”	the Ministry of Emergency Management of the PRC (中華人民共和國應急管理部), the successor of the former State Administration of Work Safety (國家安全生產監督管理總局)
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company approved and adopted on [●] 2023, which will take effect on the [REDACTED], a summary of which is set out in the paragraph headed “1. Memorandum of Association” in Appendix IV to this document, and as amended from time to time
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MNR”	the Ministry of Natural Resources of the PRC (中華人民共和國自然資源部), the successor of the former Ministry of Land and Resources of the PRC (中華人民共和國國土資源部)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“MOHRSS”	the Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源社會保障部)
“MOHURD”	the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部)
“Mr. Kong Fanbo”	Mr. Kong Fanbo (孔凡波), a director of Yantai Zhongjia, the major shareholder of Dahedong, an indirect shareholder of SDZJ and Baiheng, the brother of Mr. Kong Fanzhong and the brother-in-law of Mr. Wang Lei
“Mr. Kong Fanzhong”	Mr. Kong Fanzhong (孔凡忠), a former director of Yantai Zhongjia, the indirect major shareholder of SDZJ and Baiheng, the brother of Mr. Kong Fanbo and the brother-in-law of Mr. Wang Lei. As at the Latest Practicable Date, Mr. Kong Fanzhong and his child, Mr. Kong Ning (孔寧) held an aggregate of approximately 16.34% equity interest in Majestic Gold

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“Mr. Wang Lei” Mr. Wang Lei (王磊), the deputy general manager of Yantai Zhongjia, a shareholder of Dahedong and the brother-in-law of Mr. Kong Fanbo and Mr. Kong Fanzhong. As at the Latest Practicable Date, Mr. Wang Lei held approximately 3.64% equity interest in Majestic Gold

“NDRC” the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)

“NI 43-101” National Instrument 43-101 — Standards of Disclosure for Mineral Projects, the primary rule governing mineral property disclosure under Canadian securities laws, which was initially enacted in February 2001 and most recently revised in June 2011, and adopted the CIM Definition Standards for estimation of Mineral Resources and Mineral Reserves

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

[REDACTED] [REDACTED]

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**DEFINITIONS**

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[REDACTED]

[REDACTED]

“PBOC” the People’s Bank of China (中國人民銀行), the central bank of China

“PRC” or “China” the People’s Republic of China, and for the purpose of this document, and unless otherwise indicated, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan

“PRC Company Law” the Company Law of the PRC (中華人民共和國公司法), as amended, supplemented or otherwise modified from time to time

“PRC GAAP” generally accepted accounting principles in the PRC

“PRC Government” or “State” the central government of the PRC, including all governmental sub-divisions (such as provincial, municipal and other regional or local government entities) and instrumentalities thereof or, where the context requires, any of them

“PRC Legal Advisers” Jincheng Tongda & Neal Law Firm Shenzhen Office, being the legal advisers to our Company as to the PRC law

“PRC Mineral Resources Law” the Mineral Resources Law of the PRC (中華人民共和國礦產資源法), as amended, supplemented or otherwise modified from time to time

“PRC Negotiable Instruments Law” the Negotiable Instruments Law of the PRC (中華人民共和國票據法), as amended, supplemented or otherwise modified from time to time

[REDACTED]

[REDACTED]

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## DEFINITIONS

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

“Qingjia”

煙台慶佳建材有限公司 (Yantai Qingjia Construction Materials Co., Ltd\*), a limited liability company established in the PRC on 13 September 2017, and is a connected person. As at the Latest Practicable Date, Qingjia was wholly-owned by Mr. Kong Fanqiang (孔凡強), who is the brother of Mr. Kong Fanbo and Mr. Kong Fanzhong and the brother-in-law of Mr. Wang Lei

“Regulation S”

Regulation S under the U.S. Securities Act

[REDACTED]

[REDACTED]

“Remaining Group”

Majestic Gold and its subsidiaries after completion of the [REDACTED], which excludes our Group

“Reorganisation”

the corporate reorganisation arrangement undergone by our Group in preparation for the [REDACTED], details of which are set out in the section headed “History, Reorganisation and corporate structure — Reorganisation” of this document

“Repurchase Mandate”

the general unconditional mandate given to our Board by the Shareholders relating to the repurchase of Shares, a summary of which is contained in the section headed “Statutory and general information — A. Further information about our Group — 6. Written resolutions of our Shareholders passed on [●]” in Appendix V to this document

“Richard’s Resource”

Richard’s Resource Technologies Inc. (formerly known as Double Gain Investment Limited), a company incorporated under the laws of the BVI with limited liability on 18 March 1999, an existing Shareholder which will hold approximately [REDACTED]% interest in our Company upon the completion of the Reorganisation, the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised). As at the Latest Practicable Date, Richard’s Resource is wholly-owned by Ms. Cheung Yuen Man, Rosa

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## DEFINITIONS

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“RMB”	Renminbi, the lawful currency of the PRC
[REDACTED]	[REDACTED]
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR”	the State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理總局), the successor of the former State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SAT”	the State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
“SDZJ”	山東中嘉礦業集團有限公司 (Shandong Zhongjia Mining Group Co., Ltd.*) (formerly known as 山東中嘉礦業有限公司 (Shandong Zhongjia Mining Co., Ltd.*) (from 23 April 2021 to 28 February 2022), a limited liability company established in the PRC on 23 April 2021, and is a connected person. As at the Latest Practicable Date, SDZJ was owned by (i) 山東文豐和投資有限公司, a company wholly-owned by Mr. Kong Fanzhong, as to approximately 53.9%; (ii) 煙台鑫山投資有限公司, a company wholly-owned by Mr. Kong Fanbo, as to approximately 23.1%; (iii) 山東輝茂晟投資有限公司 (Shandong Huimaosheng Investment Co., Ltd.*), a company wholly-owned by Zou Honghai, an Independent Third Party, as to approximately 20.0%; and (iv) 山東招金集團招遠黃金冶煉有限公司 (Shandong Zhaojin Group Zhaoyuan Gold Smelting Co., Ltd.*), a company indirectly wholly-owned by PRC government authorities, as to approximately 3.0%
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

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“Shandong Guoda”	a group of companies comprises 山東國大黃金股份有限公司 (Shandong Guoda Gold Co., Ltd*) and its wholly-owned subsidiaries, 煙台國大貴金屬冶煉有限公司 (Yantai Guoda Precious Metal Smelting Co., Ltd*) and 煙台國大貿易有限公司 (Yantai Guoda Trading Co., Ltd.*), all of which are established in the PRC in January 1999, October 2004 and April 2022, respectively. Shandong Guoda is one of our major customers and five largest subcontractors during the Track Record Period, and is an Independent Third Party
“Shandong Humon”	山東恆邦冶煉股份有限公司 (Shandong Humon Smelting Co., Ltd*), a company established in the PRC in February 1994, one of our major customers and five largest subcontractors during the Track Record Period, and is an Independent Third Party
“Shanghai Gold Exchange”	Shanghai Gold Exchange (上海黃金交易所), approved by the State Council and founded by the PBOC, which organises gold transactions in China and performs regulated functions as stipulated by the applicable PRC rules and regulations, as amended from time to time
“Share(s)”	ordinary share(s) with a nominal or par value of HK\$0.01 each in the share capital of our Company
“Share Option Scheme”	the share option scheme conditionally approved and adopted by our Company on [●] 2023, the principal terms of which are summarised in the paragraph headed “Statutory and general information — D. Share option scheme” in Appendix V to this document
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Sole Sponsor” or “Innovax Capital”	Innovax Capital Limited, a corporation licenced to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, appointed as the sole sponsor to the [REDACTED]
“Songjiagou Open-Pit Mine”	an open-pit gold mine located in the Muping District on the Jiaodong Peninsula of the Shandong Province, the PRC in which our Group holds the entire interest through our 75%-owned indirect subsidiary, Yantai Zhongjia, the details of which are set out in the SRK Report in Appendix III to this document

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“Songjiagou Underground Mine”	an underground gold mine located in the Muping District on the Jiaodong Peninsula of the Shandong Province, the PRC, in which our Group holds the entire interest through our 75%-owned indirect subsidiary, Yantai Zhongjia, the details of which are set out in the SRK Report in Appendix III to this document
“SRK Report” or “Competent Person’s Report”	the Competent Person’s report prepared by SRK on the Songjiagou Open-Pit Mine and the Songjiagou Underground Mine, the effective date of which is 30 June 2023 and details of which are set out in the section headed “SRK Report” in Appendix III to this document
[REDACTED]	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
[REDACTED]	[REDACTED]
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the three years ended 31 December 2022 and the six months ended 30 June 2023
[REDACTED]	[REDACTED]
“TSX” or “Toronto Stock Exchange”	the Toronto Stock Exchange
“TSXV” or “TSX Venture Exchange”	the TSX Venture Exchange, one of the two national stock exchanges of Canada, focusing on micro, small cap and emerging growth companies that do not satisfy the listing criteria of the TSX
[REDACTED]	[REDACTED]

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## DEFINITIONS

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[REDACTED]	[REDACTED]
“United States” or “U.S.” or “USA”	the United States of America
“U.S. dollar(s)” or “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
[REDACTED]	[REDACTED]
“World Gold Council”	a market development organisation for the gold industry based in the United Kingdom. Its members include many leading gold mining companies in the world
“Yantai Zhongjia”	煙台中嘉礦業有限公司 (Yantai Zhongjia Mining Co. Ltd*), a limited liability company established in the PRC on 17 March 2005, our indirect 75%-owned subsidiary held through Majestic Yantai BVI, and the remaining 25% equity interest is owned by Dahedong
“%”	per cent.

\* *The English names of the PRC entities mentioned in this document are translations from their Chinese names. If there is any inconsistency, the Chinese names shall prevail.*

*Unless otherwise stated or the context requires otherwise in this document:*

- *all dates and times refer to Hong Kong time;*
- *all information is as at the Latest Practicable Date; and*
- *certain monetary amount and percentage figures have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.*