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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)

UPDATE ANNOUNCEMENT

The board of directors (the “Board”) of Real Gold Mining Limited (the “Company”) is making this announcement to provide the latest updates on the Company, together with its subsidiaries (the “Group”). For each of the following sections, references are made to certain previous announcement(s) of the Company. Unless otherwise defined, capitalized terms used in the following sections shall have the same meanings as those defined in the announcements referred to therein.

UPDATE ON THE ACTIVITIES AT THE GOLD MINES OF THE GROUP

The Company wishes to keep its shareholders and potential investors informed of the development of the gold mines owned by the Group. Reference is made to the announcements of the Company dated 31 March 2017 and 15 September 2017.

Nantaizi Gold Mine and Shirengou Gold Mine

The Group has two gold mines in the Chifeng Municipality, Inner Mongolia, namely, Shirengou Gold Mine and Nantaizi Gold Mine which are adjacent to each other and form one operating segment of the Group. Production at Shirengou Gold Mine and Nantaizi Gold Mine was suspended in 2016. The Group is considering the merits of exploring for mineable resources in the outer parts of the Shirengou Gold Mine and Nantaizi Gold Mine with a view to resuming production as soon as practicable.

The two mining permits for Nantaizi Gold Mine have recently expired and the Group has filed an application for renewal. An exploration permit for Nantaizi Gold Mine will remain valid until June 2018, and a mining permit for Shirengou Gold Mine will remain valid until August 2020. The three safety production permits for Nantaizi Gold Mine are due to expire in late December 2017 and the Board intends to apply for renewal upon their expiry.

Other gold mines

As at the date of this announcement, the Group also owns Luotuochang Gold Mine in the Chifeng Municipality, Inner Mongolia, Gaotaizi Gold Mine in Inner Mongolia, and Yandan Gold Mine, Yantang Gold Mine and nine other smaller gold mines in Guangxi.

Luotuochang Gold Mine was in operation until the Company decided in July 2014 to suspend mining activities there. A mining permit of Luotuochang Gold Mine will remain valid until January 2019. The three production safety permits have recently expired and the Group has filed an application for renewal.

Whilst there is currently no production at the Gaotaizi Gold Mine, the mining permit was renewed and will remain valid until February 2018. The Group continues to carry out exploration activities in the deeper and the outer parts of the mine in preparation for expansion of production capacity in the future.

The exploration permits of Yandan Gold Mine and three other smaller gold mines in Guangxi have been recently renewed, which will remain valid until late 2018 and/or January 2019. The exploration permits of six other smaller gold mines in Guangxi have expired, and the Board has no intention to renew those permits. For Yantang Gold Mine in Guangxi, the exploration permit of Yantang Gold Mine has expired and the Board has no intention to renew this permit.

UPDATE ON THE CHANGES OF LEGAL REPRESENTATIVES OF SUBSIDIARIES IN THE PRC

Reference is made to the announcement of the Company dated 21 August 2017.

The Company has been taking steps to effect changes to the legal representatives of some of its subsidiaries in the PRC. Two subsidiaries, namely, Balinzuo Banner Guotao Materials Products Trading Co., Ltd.* and Chifeng Shirengou Mining Co., Ltd.*, have recently effected changes to their legal representatives. The current legal representatives of Inner Mongolia Siziwanqi Gaotai Mining Company Limited* and Liuzhou City Yuanyi Mining Co., Ltd.* are current employees of the Group, and the Board considers that there is not any need for them to be replaced.

The Company is still taking steps to effect changes of the legal representatives of three other subsidiaries, namely Fubon Industrial (Huizhou) Co., Ltd.* (“Fubon”), Chifeng Fuqiao Mining Co., Ltd.* (“Fuqiao”) and Chifeng Nantaizi Mining Co., Ltd.* (“Nantaizi”). As disclosed in the Company’s announcement dated 21 August 2017, the entire shares in Fubon, the immediate holding company of the majority of the Company’s subsidiaries in the PRC, have been frozen by the Huizhou Public Security Bureau (the “Huizhou Police”). The Company understands from the Huizhou Police that the freezing of the shares is connected to investigation by the Huizhou Police into suspected financial frauds perpetrated by Mr. Wu Ruilin (“Mr. Wu”), the Company’s former controlling shareholder, and Qiaoxing group of companies controlled by Mr. Wu (“Qiaoxing”). Over the last few months, the Company’s representatives have been liaising with the Huizhou Administration Bureau for Industry and Commerce and the Huizhou Police to make further enquiries. Despite the Company’s request, the Huizhou Police has yet to produce any formal document directing the freezing of the Fubon shares.

Meanwhile, the Huizhou Police has requested the Company to provide certain information to assist with its investigation. The Company is working with its professional advisers to review the matter and to assist the Huizhou Police with a view to releasing the Fubon shares.

The freezing of the Fubon shares continues to impede the progress of effecting changes of legal representatives of Fubon, Fuqiao and Nantaizi.

UPDATE ON CHINA GUANGFA BANK ACCOUNTS OF THE GROUP

Reference is made to the announcements of the Company dated 23 May 2017, 21 August 2017 and 15 September 2017.

In response to the letter of complaint issued by the Company to the CBRC against China Guangfa Bank (Huizhou Branch) (“Guangfa Bank”) in respect of the suspension of operations of bank accounts of the Company and one of its subsidiaries, Rich Vision, the CBRC has provided an update only in respect of the Fixed Deposits of the Company. The CBRC stated that it found no wrongdoing on the part of Guangfa Bank but there is an allegation that the Fixed Deposits had been pledged to Guangfa Bank to secure loans taken out by Qiaoxing. No further details have been provided by the CBRC. The Company has not seen a copy of the alleged pledge agreement(s) and is not aware of its/their terms or the obligations the pledge(s) is/are alleged to secure but is of the view that they could not have been properly authorized by the Company or any other Group company. Further, the Company has not received any independent confirmation from Guangfa Bank that it claims to have a pledge over the Fixed Deposits. The Company has no knowledge of the existence of any such pledge arrangements. The Company is working closely with its PRC legal adviser to investigate the matter further and liaise with CBRC. The Group has yet to receive any information in respect of the Rich Vision Deposits and continues to liaise with CBRC in respect of this complaint.

ENGAGEMENT OF PROFESSIONAL ADVISER

Reference is made to the announcement of the Company dated 15 September 2017 in respect of the delay in publication of the Company’s 2016 annual results and dispatch of 2016 annual report.

The Board considers it appropriate to engage suitable professional advisers to review and ascertain the Group’s historical and current financial positions, to facilitate the publication of its financial results. On 20 November 2017, the Board engaged SHINEWING Financial Advisory Services Limited (“Shinewing FAS”) to perform an agreed procedures review of the financial position of the Group, in order to identify issues and provide background information for further investigations. Under the retainer, Shinewing FAS is engaged to ascertain and/or understand, among others, (i) the Group’s historical and current financial positions, (ii) the Fixed Deposits and Rich Vision Deposits with Guangfa Bank and (iii) the freezing of the Fubon shares by the Huizhou Police. Shinewing FAS has already commenced work at the Group’s office.

It is intended that, based on the findings of Shinewing FAS, the Board will further engage professional advisers to conduct further investigations and form a view as to the Group's financial position, and to produce an audited account of the Group for the financial year ended 31 December 2016, and the interim results of the Group for the six months ended 30 June 2017.

CHANGE OF CONTROL OF SUBSTANTIAL SHAREHOLDER

Reference is made to the announcement of the Company dated 16 June 2017.

The Board has been informed that on 8 August 2017, Mr. Zhang Yanchun ("Mr. Zhang"), an executive director of the Company, sold his entire shareholding interest in Rosy China Enterprise Limited ("Rosy China"), an indirect substantial Shareholder of the Company, to Mr. Niu Jinsheng ("Mr. Niu"). As a result of the share sale, Mr. Zhang is no longer directly or indirectly interested in any shares of the Company. As at the date of this announcement, Mr. Zhang remained as a director of Quanmin and Rosy China.

As at the date of this announcement, Rosy China was interested in 226,250,667 shares of the Company, representing approximately 24.90% of the issued share capital of the Company, through Quanmin Investments Limited ("Quanmin"), which is wholly owned by Rosy China. As Mr. Niu owns 50% of the issued shares in Rosy China, he is therefore deemed to be interested in the 226,250,667 shares of the Company held by Rosy China through Quanmin pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

SUSPENSION OF TRADING

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
Real Gold Mining Limited
Lu Chunxiang
Chairman

Hong Kong, 6 December 2017

As at the date of this announcement, the executive directors are Mr. Lu Chunxiang (Chairman), Mr. Zhang Yanchun, Mr. Li Feng, Mr. Sean Zhang, Mr. Wang Chunqi, Mr. Shao Jiulin and Mr. Kirk Vincent Wiedemer; and the independent non-executive directors are Mr. Liu Aiguo, Ms. Zhang Hui, Ms. Ge Huiyun, Mr. Guo Honggang and Ms. Wang Xu.

* *For identification purpose only*