

**FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES****1. Incorporation**

Our Company was incorporated in the Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on 13 March 2008. At the time of incorporation, our name was Real Gold Mining Limited. On 18 April 2008, our name was changed to Real Gold Mining Limited 瑞金黃金礦業有限公司, and subsequently on 8 July 2008 to Real Gold Mining Limited 瑞金礦業有限公司. We have established a principal place of business in Hong Kong at Room 1201B, 12/F, Java Commercial Centre, No. 128 Java Road, North Point, Hong Kong and have been registered as an oversea company in Hong Kong under Part XI of the Companies Ordinance on 13 June 2008. Mr Xiao Zuhe of Room 1404, Block B, Kam Pong House, Kam Tai Court, Ma On Shan, the New Territories, Hong Kong has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, it operates subject to the Cayman Companies Law and its constitutional documents comprising the Memorandum of Association and the Articles of Association. A summary of certain relevant provisions of its constitution and relevant aspects of the Cayman Companies Law is set out in Appendix VI to this prospectus.

**2. Changes in share capital of our Company**

At the date of incorporation of our Company, the authorized share capital of our Company was HK\$380,000 divided into 380,000 Shares, one of which was allotted and issued for cash at par to Codan Trust Company (Cayman) Limited and subsequently transferred to Mr Wu on the same day.

On 11 April 2008, pursuant to the corporate reorganization as mentioned under the paragraph headed "Corporate reorganization" below, Mr Wu transferred one share in Lita (which constituted the entire issued share capital of Lita) to our Company for nominal consideration. On 19 May 2008, Mr Wu transferred the then entire issued share capital of our Company to Lead Honest for nominal consideration. Immediately following such transfer, Lead Honest became the sole legal and beneficial owner of our Company. On 21 May 2008, our Company allotted and issued additional 999 Shares to Lead Honest for nominal consideration. After such allotment and issue, Lead Honest held 1,000 Shares (which constituted the then entire issued share capital of our Company) in our Company.

Pursuant to the written resolutions of the sole member of our Company passed on 18 July 2008, the authorized share capital of our Company was increased from HK\$380,000 to HK\$1,000,000,000 by the creation of an additional 999,620,000 Shares. On 18 July 2008, the authorized share capital of our Company was increased to HK\$1,000,000,000 divided into 1,000,000,000 Shares with a par value of HK\$1.00 each.

On 30 July 2008, Lead Honest subscribed for 253,815,919 shares in our Company at a consideration of HK\$253,815,919. On 21 August 2008, Lead Honest further subscribed for 188,126,796 shares in our Company at a consideration of HK\$188,126,796.

Assuming that the Global Offering becomes unconditional, the Capitalization Issue is completed and the Offer Shares are issued but taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme, the issued share capital of our Company will be HK\$660,000,000 divided into 660,000,000 Shares fully paid or credited as fully paid, with 340,000,000 Shares remaining unissued.

On the basis that the Over-allotment Option is exercised in full, 684,750,000 Shares will have been allotted and issued fully paid or credited as fully paid and 315,250,000 Shares will remain unissued.

Save as disclosed herein and as mentioned in the following paragraphs respectively headed “Written resolutions of our sole shareholder passed on 30 January 2009” and “Corporate reorganization”, there has been no alteration in the share capital of our Company since the date of its incorporation.

**3. Written resolutions of our sole shareholder passed on 30 January 2009**

On 30 January 2009, written resolutions of our sole shareholder were passed pursuant to which, inter alia:

- (a) we approved and adopted the Articles of Association;
- (b) conditional on the same conditions as stated in the section headed “Structure of the Global Offering — The Global Offering” in this prospectus:
  - (i) the Global Offering and the Over-allotment Option were approved and our Directors were authorized to approve the allotment and issue of the Offer Shares pursuant to the Global Offering and of such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option;
  - (ii) the rules of the Share Option Scheme were approved and adopted and our Board was authorized at its discretion to implement the same, grant options to subscribe for Shares thereunder up to the limit referred to in the Share Option Scheme, and to allot, issue and deal with Shares pursuant to the exercise of any options granted thereunder and do all such acts and things as our Board may consider necessary, desirable or expedient to give effect to the Share Option Scheme;
  - (iii) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares by our Company pursuant to the Global Offering, our Directors were authorized to capitalize HK\$113,856,285 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 113,856,285 Shares for allotment and issue to our shareholders whose names appear on our register of members at the close of business on 30 January 2009 (or as they may direct) in the following manner:

<b>Name of Shareholder</b>	<b>Number of Shares to be allotted and issued pursuant to the Capitalization Issue</b>
Lead Honest . . . . .	113,856,285

- (iv) a general unconditional mandate was given to our Directors authorizing them to exercise all the powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make an offer or agreement or grant an option which would or might require such Shares to be allotted and issued, whether during the continuance of such mandate or thereafter (otherwise than pursuant to a rights issue, any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of whole or part of a dividend on Shares in accordance with the Articles of Association or pursuant to the exercise of any subscription or conversion rights attaching to any warrants or securities which are convertible into Shares or in issue prior to the date of the passing of the relevant resolution or pursuant to the exercise of any options to be granted under the Share Option Scheme or pursuant to the

Global Offering or the Capitalization Issue or pursuant to a specific authority granted by our shareholders in general meeting, on behalf of our Company), provided that the aggregate nominal value of our Shares allotted or agreed conditionally or unconditionally to be allotted shall not exceed 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalization Issue (but excluding any Share which may be allotted and issued pursuant to the exercise of the Over-allotment Option), such mandate to remain in effect until whichever is the earliest of:

- (aa) the conclusion of our next annual general meeting;
  - (bb) the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
  - (cc) the passing of an ordinary resolution by our shareholders in a general meeting revoking, varying or renewing such mandate;
- (v) a general unconditional mandate was given to our Directors authorizing them to exercise all the powers for and on behalf of our Company to repurchase our Shares on the Stock Exchange or on any other approved stock exchange(s) on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and the Capitalization Issue (but excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), such mandate to remain in effect until whichever is the earliest of:
- (aa) the conclusion of our next annual general meeting;
  - (bb) the expiration of the period within which our next annual general meeting is required by any applicable law or the Articles of Association to be held; or
  - (cc) the passing of an ordinary resolution by our shareholders in a general meeting revoking, varying or renewing such mandate; and
- (vi) subject to the passing of resolutions set out in paragraphs (iv) and (v) above, the unconditional general mandate mentioned in paragraph (iv) above was extended to include the aggregate nominal value of Shares repurchased by us pursuant to the mandate to repurchase Shares referred to in paragraph (v) above provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue (but excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option) was approved.

#### **4. Corporate reorganization**

In preparation for the listing of our Shares on the Stock Exchange, our Group underwent a reorganization which involved the following:

- (a) On 16 February 2004, Lita was incorporated in the BVI.
- (b) On 30 March 2005, Lead Honest was incorporated in the BVI.
- (c) On 24 March 2006, Ankson Limited entered into a joint venture agreement with Huizhou Liyin to establish Huizhou Ankson Plastic Moulding Technology Company Limited (惠州安臣塑膠模具科技有限公司) (“Huizhou Ankson”). Huizhou Ankson had a registered capital of HK\$5.0 million, and Ankson Limited and Huizhou Liyin respectively held 90% and 10% of the equity interest in the Huizhou Ankson joint venture.

- (d) On 24 March 2006, Ankson Limited entered into a joint venture agreement with Huizhou Liyin to establish Huizhou Ankson Communication Technology Co., Ltd (惠州安臣通訊科技有限公司) (“Huizhou Ankson Communication”). Ankson Limited and Huizhou Liyin respectively held 90% and 10% of the equity interest in Huizhou Ankson Communication.
- (e) On 23 July 2007, Lita and Ankson Limited entered into a share transfer agreement pursuant to which Lita acquired a 90% equity interest in the registered capital of Huizhou Ankson held by Ankson Limited for the consideration of HK\$4.5 million.
- (f) On 10 August 2007, Lita and Huizhou Liyin entered into a share transfer agreement pursuant to which Lita acquired a 5% equity interest in the registered capital of Huizhou Ankson held by Huizhou Liyin for the consideration of HK\$250,000.
- (g) On 10 August 2007, Ankson Limited and Huizhou Liyin entered into a share transfer agreement pursuant to which Ankson Limited acquired a 5% equity interest in the registered capital of Huizhou Ankson Communication for the consideration of RMB0.25 million.
- (h) On 21 August 2007, Huizhou Ankson Communication established Chifeng Fuqiao, in which it held 100% of the equity interest.
- (i) On 23 August 2007, Chifeng Fuqiao entered into three respective share transfer agreements with Chifeng Fubon Copper pursuant to which it respectively acquired 100% of the equity interest in each of (i) Shirengou Mining for the consideration of RMB0.6 million; (ii) Nantaizi Mining for the consideration of RMB1.0 million; and (iii) Luotuochang Mining for the consideration of RMB1.0 million.
- (j) On 19 October 2007, Huizhou Ankson changed its registered name to Fubon Industrial (Huizhou) Co., Ltd (富邦工業(惠州)有限公司).
- (k) On 21 October 2007, Huizhou Ankson Communication entered into a share transfer agreement with Fubon Industrial pursuant to which Fubon Industrial acquired 100% of the equity interest in Chifeng Fuqiao for the consideration of RMB5.0 million.
- (l) On 13 March 2008, our Company was incorporated in the Cayman Islands.
- (m) On 9 April 2008, Rich Vision was incorporated in Hong Kong by a nominee company. On 10 April 2008, Lita acquired the entire issued share capital in Rich Vision from that nominee company, thus becoming the sole shareholder of Rich Vision.
- (n) On 11 April 2008, Mr Wu executed an instrument of transfer pursuant to which Mr Wu transferred to our Company the entire issued share capital in Lita for the nominal consideration of US\$1.00.
- (o) On 18 April 2008, our Company changed our registered name from “Real Gold Mining Limited” to “Real Gold Mining Limited 瑞金黃金礦業有限公司”.
- (p) On 22 May 2008, the Wu Family Trust was established.

- (q) On 26 June 2008, Mr Wu transferred the entire issued share capital in Lead Honest to Tercel Holdings Limited, a company incorporated in the Bahamas (“Tercel”). The shareholders of Tercel are Seletar Limited and Serangoon Limited who hold their shares in Tercel on trust for Credit Suisse Trust Limited, the trustee of the Wu Family Trust. The beneficiaries of the Wu Family Trust are Mr Wu and members of his family.
- (r) On 8 July 2008, our Company changed our registered name from “Real Gold Mining Limited 瑞金黃金礦業有限公司” to “Real Gold Mining Limited 瑞金礦業有限公司”.

#### **5. Changes in share capital of subsidiaries**

The present subsidiaries of our Company are referred to in the accountants’ report, the text of which is set forth in Appendix I to this prospectus.

The following alterations in the share capital of each of our subsidiaries took place within the two years immediately preceding the date of this prospectus:

- (a) On 25 October 2006, the registered capital of Luotuochang Mining was increased from RMB500,000 to RMB1.0 million.
- (b) On 11 July 2007, Nantaizi Mining was established with a registered capital of RMB1.0 million.
- (c) On 20 August 2007, Chifeng Fuqiao was established with a registered capital of RMB5.0 million.
- (d) On 25 March 2008, the registered capital of Fubon Industrial was increased from HK\$5.0 million to HK\$250 million.
- (e) On 18 July 2008, the authorized share capital of Lita was increased to US\$500,000,000 divided into 500,000,000 shares with a par value of US\$1.00 each.
- (f) On 22 July 2008, Lead Honest allotted and issued 129,000 shares to Tercel Holdings Limited, as a result the issued share capital of Lead Honest was increased from US\$1,000 to US\$130,000.
- (g) On 30 July 2008, Lita allotted and issued 32,128,597 shares to our Company, as a result the issued share capital of Lita was increased from US\$1 to US\$32,128,598.
- (h) On 21 August 2008, Lead Honest allotted and issued 15,000,000 shares to Tercel Holdings Limited, as a result the issued share capital of Lead Honest was increased from US\$130,000 to US\$15,130,000.
- (i) On 21 August 2008, Lita allotted and issued 23,813,519 shares to our Company, as a result the issued share capital of Lita was increased from US\$32,128,598 to US\$55,942,117.
- (j) On 21 August 2008, Lita made a capital contribution to Fubon Industrial’s capital verification account in the PRC of HK\$187,000,000, as a result of which the total equity interest in Fubon Industrial held by Lita increased to HK\$424,500,000.

Save as disclosed in this prospectus and except as referred to in the paragraph headed “Corporate reorganization” above, there has been no alteration in the share capital of any subsidiary of our Company within the two years immediately preceding the date of this prospectus.

**6. Repurchase by our Company of our Shares**

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

**(a) Shareholders' approval**

All proposed repurchases of shares on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

Pursuant to a written resolution passed by our sole shareholder on 30 January 2009, a general unconditional mandate ("repurchase mandate") was granted to our Directors authorizing them to exercise all the powers for and on behalf of our Company to repurchase our Shares on the Stock Exchange, or on any other approved stock exchange(s) on which our securities may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, with an aggregate nominal value not exceeding 10% of the aggregate nominal value of our share capital in issue immediately following the completion of the Global Offering and the Capitalization Issue (excluding any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option), such mandate to expire at the conclusion of our next annual general meeting, or the expiration of the period within which our next annual general meeting is required by the Articles of Association or any applicable law to be held, or when revoked, varied or renewed by an ordinary resolution of our shareholders in a general meeting, whichever is the earliest.

Under the Listing Rules, the shares which are proposed to be repurchased by a company must be fully paid up.

**(b) Reasons for repurchases**

Our Directors believe that it is in the best interests of our Company and our shareholders as a whole to have a general authority from our shareholders to enable us to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and/or our earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our shareholders as a whole.

**(c) Funding of repurchases**

In repurchasing Shares, we may only apply funds legally available for such purpose in accordance with our Memorandum of Association and the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands. We shall not repurchase our own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

On the basis of our current financial position as disclosed in this prospectus and taking into account our current working capital position, our Directors consider that, if the repurchase mandate was to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Company as compared with the position disclosed in this prospectus. However, our Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or our gearing position.

**(d) Director's undertaking**

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands, our Memorandum of Association and the Articles of Association.

**(e) Disclosure of interests**

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates has any present intention, if the repurchase mandate is exercised, to sell any Shares to our Company or our subsidiaries.

No connected person of our Company has notified us that he or she has a present intention to sell Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

**(f) Takeovers Code consequences**

If, as a result of a securities repurchase, a shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or a group of shareholders acting in concert, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code and the provision may apply as a result of any such increase. Our Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any repurchase under the repurchase mandate.

**(g) Share capital**

Exercise in full of the repurchase mandate, on the basis of 660,000,000 Shares in issue immediately after completion of the Global Offering and the Capitalization Issue, but taking no account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme, could accordingly result in up to 66,000,000 Shares being repurchased by us during the course of the period prior to the date on which such repurchase mandate expires or terminates as mentioned in the section headed "Further Information about Our Company and Our Subsidiaries — Written resolutions of our sole shareholder passed on 30 January 2009" in this appendix.

**FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY****7. Summary of material contracts**

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us or any of our subsidiaries within the two years immediately preceding the date of this prospectus and are or may be material:

- (a) a share transfer agreement dated 23 July 2007 and entered into between Lita and Ankson Limited, pursuant to which Ankson Limited agreed to transfer to Lita 90% of the equity interest in Huizhou Ankson at a consideration of HK\$4.5 million;
- (b) a share transfer agreement dated 10 August 2007 and entered into between Lita and Huizhou Liyin, pursuant to which Huizhou Liyin agreed to transfer to Lita 5% of the equity interest in Huizhou Ankson at a consideration of HK\$250,000;
- (c) three respective share transfer agreements each dated 23 August 2007 and entered into: (i) between Chifeng Fuqiao, Chifeng Fubon Copper and Shirengou Mining, pursuant to which Chifeng Fubon Copper agreed to transfer to Chifeng Fuqiao its entire equity interest in Shirengou Mining at a consideration of RMB0.6 million; (ii) between Chifeng Fuqiao, Chifeng Fubon Copper and Nantaizi Mining, pursuant to which Chifeng Fubon Copper agreed to transfer to Chifeng Fuqiao its entire interest in Nantaizi Mining at a consideration of RMB1.0 million; and (iii) between Chifeng Fuqiao, Chifeng Fubon Copper and Luotuochang Mining pursuant to which Chifeng Fubon Copper agreed to transfer to Chifeng Fuqiao its entire interest in Luotuochang Mining at a consideration of RMB1.0 million;
- (d) an option agreement dated 26 March 2008 (together with a corresponding supplemental option agreement dated 13 June 2008) and entered into between Nantaizi Mining and an independent third party, pursuant to which Nantaizi Mining agreed to obtain and the independent third party agreed to grant an option over all rights and assets in connection with the mining permit with reference number 6500000732246 at a consideration of RMB60.0 million;
- (e) an option agreement dated 25 April 2008 (together with a corresponding supplemental option agreement dated 13 June 2008) and entered into between Nantaizi Mining and an independent third party, pursuant to which Nantaizi Mining agreed to obtain and the independent third party agreed to grant an option over all rights and assets in connection with the mining permit with reference number 6500000732159 at a consideration of RMB80.0 million;
- (f) a subscription agreement dated 25 July 2008 and entered into between Lead Honest, our Company, Lita, Rich Vision, Mr Wu and the Bondholders, pursuant to which Lead Honest agreed to issue secured exchangeable bonds to the Bondholders at a consideration of US\$50.0 million;
- (g) an equity pledge agreement dated 26 July 2008 and granted by Lita as pledgor over all of the equity interests in Fubon Industrial owned by Lita in favor of the Bondholders as pledgees;
- (h) a trust deed dated 29 July 2008 and entered into between Lead Honest, our Company, Lita, Rich Vision, Mr Wu and The Hongkong and Shanghai Banking Corporation Limited as trustee and security agent in connection with the Pre-IPO Investment;



- (i) a security agreement dated 29 July 2008 and created by our Company as chargor over all our assets in favor of The Hongkong and Shanghai Banking Corporation Limited as security agent in connection with the Pre-IPO Investment;
- (j) a security agreement dated 29 July 2008 and created by Lita as chargor over all its assets in favor of The Hongkong and Shanghai Banking Corporation Limited as security agent in connection with the Pre-IPO Investment;
- (k) a security agreement dated 29 July 2008 and created by Rich Vision as chargor over all its assets in favor of The Hongkong and Shanghai Banking Corporation Limited as security agent in connection with the Pre-IPO Investment;
- (l) a share mortgage dated 29 July 2008 and created by Lita as mortgagor over the entire issued share capital (and any related rights) of Rich Vision owned by Lita in favor of The Hongkong and Shanghai Banking Corporation Limited as security agent in connection with the Pre-IPO Investment;
- (m) a deed of non-competition dated 5 February 2009 and entered into between Mr Wu in favour of our Company (for itself and on behalf of our subsidiaries), details of which are set out in the section headed “Business — Non-Competition Undertaking” in this prospectus;
- (n) an amending deed dated 9 February 2009 and entered into between Lead Honest, our Company, Lita, Rich Vision, Tercel Holdings Limited, Mr Wu and The Hongkong and Shanghai Banking Corporation Limited, pursuant to which the parties have agreed to amend the terms and conditions of the Exchangeable Bonds;
- (o) a deed of indemnity dated 9 February 2009 entered into by Lead Honest and Mr Wu with and in favor of our Company (for itself and as trustee for each of our subsidiaries), pursuant to which each of Lead Honest and Mr Wu has agreed to indemnify our Company against, among others, certain estate duty and tax liabilities; and
- (p) the Hong Kong Underwriting Agreement.

**8. Particulars of our subsidiaries in the PRC**

As at the Latest Practicable Date, we had five subsidiaries in the PRC, the particulars of which are as follows:

*Fubon Industrial*

Date of establishment	:	23 June 2006
Nature of enterprise	:	Limited liability company (Sino-foreign joint venture)
Registered capital	:	HK\$437.0 million
Paid-up capital	:	HK\$437.0 million
Percentage of equity interest held by us	:	97.14%
Registered owners	:	Lita and Huizhou Liyin
Term of operation	:	23 June 2006 to 22 June 2021
Principal scope of business	:	Research and development, production and sales of various types of metal, electronics and plastic molding products, research and development and processing of non-ferrous metals. Products are permitted to be sold both within and outside the PRC.
Directors	:	Mr Wu, Wu Jingbiao, Li Tianpei
Legal representative	:	Li Tianpei (Li Tianpei was jointly appointed by Ankson Limited and Huizhou Liyin as the legal representative of Fubon Industrial on 24 March 2006. There is no relationship between Li Tianpei and each of Ankson Limited and Huizhou Liyin, their directors and shareholders, or their respective associates)

*Chifeng Fuqiao*

Date of establishment	:	21 August 2007
Nature of enterprise	:	Limited liability company with single equity holder
Registered capital	:	RMB5.0 million
Paid-up capital	:	RMB5.0 million
Percentage of equity interest held by us	:	97.14%
Registered owner	:	Fubon Industrial
Term of operation	:	21 August 2007 to 31 December 2027
Principal scope of business	:	Sales of mineral products and mining equipment, mining technology consultancy and services; mining investment management
Directors	:	Mr Wu, Wang Zhentian, Ma Wenxue, Cui Jie
Legal representative	:	Mr Wu

*Shirengou Mining*

Date of establishment	:	10 November 2004
Nature of enterprise	:	Limited liability company
Registered capital	:	RMB0.6 million
Paid-up capital	:	RMB0.6 million
Percentage of equity held by us	:	97.14%
Registered owner	:	Chifeng Fuqiao
Term of operation	:	10 November 2004 to 9 November 2024
Principal scope of business	:	Mining and processing of valuable metals, sales of mineral products and mining equipment
Director	:	Wang Zhentian
Legal representative	:	Wang Zhentian

*Nantaizi Mining*

Date of establishment	:	11 July 2007
Nature of enterprise	:	Limited liability company
Registered capital	:	RMB1.0 million
Paid-up capital	:	RMB1.0 million
Percentage of equity interest held by us	:	97.14%
Registered owner	:	Chifeng Fuqiao
Term of operation	:	11 July 2007 to 30 December 2010
Principal scope of business	:	Mining of valuable minerals, sales of mineral products and mining equipment, mining technology consultancy, investment management
Director	:	Wang Zhentian
Legal representative	:	Wang Zhentian




*Luotuochang Mining*

Date of establishment	:	1 July 2005
Nature of enterprise	:	Limited liability company with single equity holder
Registered capital	:	RMB1.0 million
Paid-up capital	:	RMB1.0 million
Percentage of equity interest held by us	:	97.14%
Registered owner	:	Chifeng Fuqiao
Term of operation	:	1 July 2005 to 30 June 2025
Principal scope of business	:	Sales of mineral products, gold mining
Director	:	Mr Wu
Legal representative	:	Mr Wu

### 9. *Our Intellectual Property Rights*

#### (a) Trademark

As of the Latest Practicable Date, we had applied for the registration of the following trademarks, the registration of which has not yet been granted:

<u>Trademark</u>	<u>Applicant</u>	<u>Place of Application</u>	<u>Class</u>	<u>Application Date</u>	<u>Application Number</u>
 . . . .	Chifeng Fuqiao	the PRC	37	1 August 2008	6973637
 . . . .	Chifeng Fuqiao	the PRC	6, 14, 35	11 August 2008	6891349, 6891350 and 6891351
 . . .	Our Company	Hong Kong	1, 4, 6, 19, 37, 39, 42	11 August 2008	301180214

#### (b) Domain name

As at the Latest Practicable Date, we had registered the following domain name:

<u>Domain Name</u>	<u>Registration Date</u>	<u>Expiration Date</u>
realgoldmining.com . . . . .	16 April 2008	16 April 2009

#### (c) Mining rights

Details of our mining rights are set out in the section headed “Business — Exploration and Mining Rights” in this prospectus.

## FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

**10. Disclosure of interests****(a) Interests and short positions of our Directors and chief executive in the shares, underlying shares and debentures of our Company or its associated corporation**

Immediately following completion of the Global Offering and Capitalization Issue (assuming the Over-allotment Option is not exercised and without taking into account Shares to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme), none of our Directors and chief executive will have interests and/or short positions in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to us and the Stock Exchange once our Shares are listed.

**(b) Interests and short positions of the substantial shareholders in the shares and underlying shares**

Save as disclosed in the section headed “Substantial Shareholders” in this prospectus, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the shares and underlying shares of our Company which, once our Shares are listed, would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Company.

**(c) Particulars of Directors’ service agreements and letters of appointment**

Each of our executive Directors (other than Mr Qiu Haicheng) has entered into a service agreement with us for an initial fixed term of three years commencing on 30 January 2009. Mr Qiu Haicheng has entered into a service agreement with us for an initial fixed term of three years commencing on 2 February 2009.

Pursuant to the service agreements, the director’s fee of our executive Directors are as follows:

<b>Director</b>	<b>Remuneration (per annum)</b>
Mr Wang Zhentian . . . . .	RMB43,200
Mr Qiu Haicheng . . . . .	RMB43,200
Mr Ma Wenxue . . . . .	RMB43,200
Mr Cui Jie . . . . .	RMB43,200
Mr Lu Tianjun . . . . .	RMB43,200

Each of our independent non-executive Directors has been appointed for an initial fixed term of two years commencing on 30 January 2009. The annual remuneration payable to each of our independent non-executive Directors is as follows:

<u>Director</u>	<u>Remuneration (per annum)</u>
Mr Mak Kin Kwong . . . . .	HKD500,000
Mr Zhao Enguang . . . . .	HKD100,000
Mr Xiao Zuhe . . . . .	HKD100,000

**(d) Directors' remuneration**

During the year ended 31 December 2007 and for the ten months ended 31 October 2008, the aggregate of the remuneration paid and benefit in kind granted to our Directors by our Company were about RMB106,000 and RMB240,000, respectively.

Under the current arrangements, our Directors received remuneration of RMB0.3 million for the financial year ended 31 December 2008.

Save as disclosed in this prospectus, no Director has been paid in cash or shares or otherwise by any person either to induce him to become, or to qualify him as a Director, or otherwise for services rendered by him in connection with the promotion or formation of our Company.

**(e) Disclaimers**

Save as disclosed in this prospectus:

- (i) so far as our Directors are aware, none of our Directors or chief executive has any interest and/or short position in the shares, underlying shares and debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to us and the Stock Exchange once our Shares are listed;
- (ii) none of our Directors and the experts referred to under the heading "Consents of experts" in this appendix has any direct or indirect interest in the promotion of our Company or any of our subsidiaries, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;
- (iii) none of our Directors and the experts referred to under the heading "Consents of experts" in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business taken as a whole;
- (iv) none of our Directors has any existing or proposed service contracts with our Company or any of our subsidiaries, excluding contracts which are expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation);

- (v) none of the experts referred to under the heading “Consents of experts” in this appendix has any shareholding in our Company or any of our subsidiaries or the right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries; and
- (vi) none of our Directors, their respective associates (as defined under the Listing Rules), or shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interest in our Company’s five largest customers and five largest suppliers save as contemplated under the Underwriting Agreements.

### **11. Agency fees or commissions received**

The Underwriters will receive a commission as mentioned in the paragraph headed “Commissions and expenses” under the section headed “Underwriting” in this prospectus.

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

### **12. Related party transactions**

Save as disclosed in the accountants’ report set out in Appendix I to this prospectus and other parts of this prospectus, we have not engaged in any dealings with our Directors and their associates within the two years immediately preceding the date of this prospectus.

### **13. Share Option Scheme**

#### **Summary of terms**

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by a written resolution passed by our sole shareholder on 30 January 2009:

#### **(a) Purpose**

The purpose of the Share Option Scheme is to enable us to grant options to selected participants as incentives or rewards for their contribution to our Company.

#### **(b) Who may join**

Our Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares at a price calculated in accordance with subparagraph (f) below:

- (i) any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of or to our Company, any of our subsidiaries or any entity (“Invested Entity”) in which our Company holds an equity interest;
- (ii) any non-executive Directors (including independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity;
- (iii) any supplier of goods or services to our Company or any of our subsidiaries or any Invested Entity;

- (iv) any customer of our Company or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to our Company or any Invested Entity; and
- (vi) any shareholder of our Company or any of our subsidiaries or any Invested Entity or any holder of any securities issued by our Company or any of our subsidiaries or any Invested Entity,

and for the purposes of the Share Option Scheme, the options may be granted to any company wholly-owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by us for the subscription of Shares or other securities of our Company to any person who falls within any of the above classes of participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The basis of eligibility of any of the above classes of participants to the grant of any options shall be determined by our Directors from time to time on the basis of the participants' contribution to the development and growth of our Company.

In order for a person to satisfy our Directors that he is qualified to be (or where applicable, continues to qualify to be) a participant, such person shall provide all such information as our Directors may request for the purpose of assessing his eligibility (or continuing eligibility).

(c) *Maximum number of Shares*

- (i) The maximum number of Shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not in aggregate exceed 30% of our issued share capital from time to time. No options may be granted under any schemes of our Company (or the subsidiary of our Company) if such grant will result in the maximum number being exceeded.
- (ii) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme to be granted under the Share Option Scheme and any other share option schemes of our Company must not in aggregate exceed 66,000,000 Shares, being 10% of the total number of Shares in issue at the time dealings in our Shares first commence on the Stock Exchange (excluding the Shares which may be issued pursuant to the exercise of the Over-allotment Option) ("General Mandate Limit").
- (iii) Subject to (i) above and without prejudice to (iv) below, we may seek approval of our shareholders in general meeting to refresh the General Mandate Limit. However, the total number of Shares which may be issued upon exercise of all outstanding options to be granted under the Share Option Scheme and any other share option schemes of our Company under the limit as "refreshed" must not exceed 10% of the Shares in issue as of the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, canceled or lapsed in accordance with the Share Option Scheme and other share option schemes of our Company or exercised options) will not be counted for the purpose of calculating the limit as "refreshed". We will send a circular to our shareholders in compliance with Note (1) to Rule 17.03(3) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules.



- (iv) Subject to (i) above and without prejudice to (iii) above, we may seek separate approval of our shareholders in general meeting for granting options beyond the General Mandate Limit provided the options in excess of the limit are granted only to participants specifically identified by us before such approval is sought. We will issue a circular to our shareholders in compliance with Note (1) to Rule 17.03(3) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules.
- (d) *Maximum entitlement of each participant and connected persons*
- (i) Unless approved by our shareholders, the total number of Shares issued and to be issued upon exercise of all outstanding options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised and outstanding options) to each participant in any 12-month period must not exceed 1% of the Shares in issue (“Individual Limit”).
- (ii) Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our shareholders in compliance with the Note to Rule 17.03(4) and Rule 17.06 of the Listing Rules and/or such other requirements as prescribed in the Listing Rules and the approval of our shareholders in general meeting with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before our shareholders’ approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Note (1) to Rule 17.03(9) of the Listing Rules.
- (iii) In addition to the shareholders’ approval set out in Note (1) to Rule 17.03(3) and Note to Rule 17.03(4) of the Listing Rules, each grant of options to a Director, chief executive or substantial shareholder of our Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options).
- (iv) Where any grant of options to a substantial shareholder or an independent non-executive Director or any of their respective associates would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, canceled and outstanding) under the Share Option Scheme or any other share option schemes of our Company to such person in the 12-month period up to and including the date of such grant:
- (a) representing in aggregate more than 0.1% of the Shares in issue; and
- (b) having an aggregate value, based on the closing price of our Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by our shareholders. We must send a circular to our shareholders. All of our connected persons must abstain from voting in favor at such general meeting. Any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the meeting to approve the grant of such option must be taken on a poll.

(e) *Minimum period of holding an option and performance target*

Our Directors may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

(f) *Subscription price for Shares*

The subscription price of a Share in respect of any option granted under the Share Option Scheme shall be such price as our Board in its absolute discretion shall determine, provided that such price shall not be less than the highest of (i) the nominal value of our Shares, (ii) the average closing price of our Shares as stated in the Stock Exchange's daily quotations sheet for the five Business Days immediately preceding the date of grant of the option and (iii) the closing price of our Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a Business Day). A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

(g) *Rights are personal to grantee*

An option granted under the Share Option Scheme shall not be transferable or assignable and is personal to the grantee.

(h) *Time of exercise of option*

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on a day upon which the offer for the grant of the option is accepted but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

(i) *Rights on ceasing employment or death*

If the grantee of an option, who is an employee of our Company or any Invested Entity at the time of the grant of the option, ceases to be an employee of our Company or Invested Entity for any reason other than death, ill-health or retirement in accordance with his contract of employment or certain other grounds, the option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless our Directors otherwise determine, in which case the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation or termination, which date shall be the last actual working day with our Company or the relevant Invested Entity whether salary is paid in lieu of notice or not. Failing such exercise, the option will lapse.

If the grantee of an option, who is an employee of our Company or any Invested Entity at the time of the grant of the option, ceases to be an employee of our Company or Invested Entity by reason of death, ill-health or retirement in accordance with his contract of employment, before exercise of option in full, the grantee or, if appropriate his lawful personal representative(s) may exercise the option in

whole or in part (to the extent not already exercised) within a period of twelve months following the date of cessation of employment (or such longer period as our Directors may determine), failing which it will lapse.

(j) *Rights on dismissal*

If the grantee of an option leaves the service of our Company or Invested Entity by the reason of serious misconduct or on certain other grounds on which an employer would be entitled to lawfully terminate his employment, his option (to the extent not already exercised) will thereupon lapse forthwith and will not in any event be exercisable on or after the date of cessation of employment.

(k) *Rights on a general offer, a compromise or arrangement*

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, we shall use all reasonable endeavors to procure that such offer is extended to all the grantees (or his personal representative(s)) on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, shareholders. If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional or such scheme or arrangement is formally proposed to our shareholders, a grantee (or his personal representative(s)) shall, notwithstanding any other terms on which his options were granted, be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to us in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be.

(l) *Rights on winding-up*

In the event of an effective resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee of an option (or his personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to us elect to exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice within two Business Days prior to the proposed general meeting of our Company considering such winding up, such notice to be accompanied by the subscription price for the Shares in respect of which the notice is given, whereupon the grantee will be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his options, to receive out of the assets available in the liquidation pari passu with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date of commencement of the winding-up of our Company.

(m) *Ranking of Shares*

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of our Memorandum of Association and the Articles of Association for the time being in force and will rank pari passu in all respects with the then existing fully paid Shares in issue on the date of exercise of the option and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of exercise of the option other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with reference to a record date

falling before the date of exercise of the option. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee of such option has been duly entered on our register of members or the holder thereof.

(n) *Period of the Share Option Scheme*

Unless terminated by us by resolution in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme becomes unconditional.

(o) *Alteration of the Share Option Scheme*

The Share Option Scheme may be altered in any respect by a resolution of our Board except that any material alteration to its terms and conditions, any change to the terms of options granted (except for changes which automatically take effect under the existing terms of the Share Option Scheme) and the matters contained in the relevant provisions of the Hong Kong Listing Rules shall not be altered to the advantage of the grantees or prospective grantees without the prior sanction of any resolution of our Company in general meeting. The amended terms of the Share Option Scheme or the options must still comply with the applicable requirements under the Listing Rules. Any change to the authority of our Directors or scheme administrators (if applicable) in relation to any alteration to the terms of the Share Option Scheme must be approved by our shareholders in general meeting.

(p) *Effect of alterations to capital*

In the event of any alteration in our capital structure whilst any option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalization of profits or reserves, rights issue, consolidation, subdivision or reduction of our share capital or otherwise howsoever, we shall instruct our auditors for the time being or an independent financial adviser to our Company to certify in writing that such adjustments satisfy the requirement that they give a participant the same proportion (or rights in respect of the same proportion) of the equity capital as that to which that person was previously entitled. Adjustment will be made to the number of Shares being the subject matter of the Share Option Scheme or the option so far as unexercised and/or the subscription price and/or the maximum number of Shares referred to in the sub-paragraph headed “Maximum number of Shares” above provided that (i) any such adjustment shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; (iii) no such adjustment shall be made the effect of which would be to increase the proportion of the issued share capital of our Company for which any grantee would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustment; (iv) the issue of Shares or securities of our Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and (v) for the avoidance of doubt, any adjustments shall be made in compliance with the Listing Rules and the “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rules 23.03(13) and the note immediately after the rule” set out in the letter from the Stock Exchange to all listed issuers dated 5 September 2005 or other relevant guidance as the Stock Exchange may from time to time issue. In addition, in respect of any such adjustments, other than

any made on a capitalization issue, such auditors or independent financial adviser must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

(q) *Cancellation of options*

Our Directors may effect the cancellation of any options granted but not exercised on such terms as may be agreed with the relevant grantee, as our Directors may in their absolute discretion see fit and in a manner that complies with all applicable legal requirements for cancellation. Where we cancel any options granted and offer to grant or grant new options to the same grantee, the offer or grant of such new options may only be made under the Share Option Scheme if there are available unissued options (excluding the canceled options) within each of the limits as referred of in the sub-paragraph headed “Maximum number of Shares” above.

(r) *Conditions of the Share Option Scheme*

The Share Option Scheme is conditional on (i) the Listing Committee granting approval of the listing of, and permission to deal in, the Shares on the Main Board, which Shares may fall to be issued pursuant to the exercise of options granted under the Share Option Scheme; and (ii) upon the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any conditions by the Sole Global Coordinator) and such obligation not being terminated in accordance with the terms of the Underwriting Agreements.

(s) *Termination of the Share Option Scheme*

We may by resolution in general meeting terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme. Details of the options granted, including options exercised or outstanding, under the Share Option Scheme and (if applicable) options that become void or non-exercisable as a result of the termination must be disclosed in the circular to our shareholders seeking approval of the first new scheme (if any) to be established after such termination.

(t) *Status of the Hong Kong Listing Rules*

The Share Option Scheme shall comply with the Listing Rules as amended from time to time. In the event that there are differences between the terms of the Share Option Scheme and the Listing Rules, the Listing Rules shall prevail.

(u) *Present status of the Share Option Scheme*

As of the date of this prospectus, no option has been granted or agreed to be granted under the Share Option Scheme. Application has been made to the Listing Committee for the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of any options granted under the Share Option Scheme, as described above.

**OTHER INFORMATION****14. Indemnities****Estate duty and tax indemnity**

Each of Lead Honest and Mr Wu has entered into a deed of indemnity with and in favor of our Company (for itself and as trustee for each of our present subsidiaries) whereby each of Lead Honest and Mr Wu has given indemnities in connection with, among other things, any liability for estate duty under the Estate Duty Ordinance, Chapter 111 of the Laws of Hong Kong, or legislation similar thereto in Hong Kong or any part of the world which might be incurred by our Company or any of our subsidiaries on or before the Listing Date, and other taxation (including all fines, penalties, costs, charges, expenses and interest relating to taxation) which may be made against our Company or any of our subsidiaries in respect of any income, profits or gains earned, accrued or received on or before the Listing Date, save:

- (a) to the extent that a specific provision or reserve has been made for such taxation in the Accountants' Report of our Group as set out in Appendix I to this prospectus;
- (b) to the extent that the liability for such taxation would not have arisen but for any voluntary act of our Company or any of our subsidiaries which our Company or the relevant subsidiary, as applicable, ought reasonably to have known would give rise to such taxation but excluding any act carried out other than pursuant to a legally binding obligation entered into or incurred on or before the Listing Date, pursuant to an obligation imposed by any law, regulation or requirement having the force of law, which has taken place with the written approval of Lead Honest and Mr Wu or pursuant to the Global Offering or any document executed pursuant to the Global Offering, or which has occurred in the ordinary course of business; or
- (c) the taxation arises or is incurred as a result of any retrospective passing of any legislation, retrospective change in practice or retrospective increase in tax rates coming into force after the Listing Date.

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Company in the Cayman Islands and the BVI.

**Other indemnities**

Under the deed of indemnity referred to above, each of Lead Honest and Mr Wu also agreed to indemnify us from and against all actions, claims, losses, payments, charges, settlement payments, costs, penalties, damages or expenses which our Company or any of our subsidiaries may incur, suffer or accrue, directly or indirectly, arising from or in connection with:

- (a) any issues in connection with the use and occupation of the land and properties referred to in the property valuation report set out in Appendix IV to this prospectus;
- (b) any issues in connection with the conduct of mining activities by our Group prior the associated mining permit, gold operating permit, environmental protection permit and any other required permit or license having been obtained by our Group;
- (c) any failure to obtain a renewal of our Group's mining rights when any of them expires before 31 December 2008 when the relevant mine has any residual proved and probable reserves;

- (d) any failure to obtain any mining permit, production safety permit and gold production permit in respect of the Nantaizi Gold Mine and Luotuochang Gold Mine;
- (e) any member of our Group exceeding the production limits set out in the relevant production safety permits, gold operating permits and any other required permit or license;
- (f) the engaging by any member of our Group in activities outside the business scope of the business license of such member of our Group; and
- (g) any non-compliance with the relevant PRC laws and regulations by any member of our Group,

on or before the Listing Date or as a result of or in relation to all litigations, arbitration, claims (including counter-claims), complaints, demands and/or legal proceedings by or against any member of our Group which was issued, accrued and/or arising from any act of any member of our Group at any time on or before the Listing Date.

#### **15. *Litigation***

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us.

#### **16. *Sole Sponsor***

The Sole Sponsor has made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus, including any Shares falling to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme and the exercise of the Over-allotment Option.

#### **17. *Registration procedures***

Subject to the provisions of the Cayman Companies Law, our register of members will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited.

#### **18. *Preliminary expenses***

The preliminary expenses incurred by our Company in relation to our establishment were approximately HK\$16,000 and were paid by us.

#### **19. *Promoter***

Our Company has no promoter.

**20. Qualifications of experts**

The following are the qualifications of the experts which have given their opinion or advice which are contained in, or referred to, in this prospectus:

<u>Expert</u>	<u>Qualification</u>
Citigroup Global Markets Asia Limited . . . . .	a licensed corporation to conduct types 1 (dealing in securities), 4 (advising on securities), 6 (advising on corporate finance) regulated activities (as set out in Schedule 5 of the SFO)
Deloitte Touche Tohmatsu . . . . .	Certified public accountants
Savills Valuation and Professional Services Limited. . . . .	Professional surveyors and valuers
Conyers Dill & Pearman. . . . .	Legal advisers on Cayman Islands law
King & Wood. . . . .	Legal advisers on PRC law to our Company
Jun He Law Offices. . . . .	Legal advisers on PRC law to the Underwriters
Behre Dolbear Asia, Inc. . . . .	Independent technical adviser

**21. Consents of experts**

Each of Citigroup Global Markets Asia Limited, Deloitte Touche Tohmatsu, Savills Valuation and Professional Services Limited, Conyers Dill & Pearman, King & Wood, Jun He Law Offices and Behre Dolbear Asia, Inc. has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its reports, letters, valuation certificate, opinions or summaries of opinions (as the case may be) and the references to its name included herein in the form and context in which they are respectively included.

**22. Binding effect**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.



**23. Particulars of the Selling Shareholder**

Particulars of the Selling Shareholder are set out as follows:

	<u>Description</u>	<u>Registered office</u>	<u>Number of Sale Shares</u>
Lead Honest . . . . .	A BVI limited liability company	Akara Bldg., 24 De Castro Street, Wickhams Cay I, Road Town, Tortola, British Virgin Islands	60,800,000

**24. The latest financial period reported on by the reporting accountants required under the Listing Rules and the Companies Ordinance**

According to the Listing Rules and the Companies Ordinance, our Company is required to disclose certain financial information in relation to certain financial periods. In this regard, our Company has applied for (i) a waiver from strict compliance with the disclosure requirements under Rule 4.04(1) of the Listing Rules (which the Stock Exchange has granted) and (ii) an exemption from strict compliance with the disclosure requirements of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies Ordinance (which the SFC has granted). Further details of such waiver and exemption (including the conditions to the waiver and exemption) are set out in the section headed “Waivers from Compliance with the Listing Rules and the Companies Ordinance” in this prospectus.

**25. Bilingual Prospectus**

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided in section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

**26. Miscellaneous**

- (a) Save as disclosed in this prospectus:
- (i) within the two years immediately preceding the date of this prospectus, neither we nor any of our subsidiaries has issued or agreed to issue any share or loan capital fully or partly paid up either for cash or for a consideration other than cash;
  - (ii) within the two years immediately preceding the date of this prospectus, no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) within the two years immediately preceding the date of this prospectus, no commission has been paid or payable (except commission to sub-underwriters) to any persons for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of our Company or any of our subsidiaries;
  - (iv) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;

- (v) our Directors confirm that since 31 October 2008, there has been no material adverse change in our financial or trading position or prospects;
  - (vi) our Directors confirm that there has not been any interruption in the business of our Company which may have or have had a material adverse effect on the financial position of our Company in the twelve months immediately preceding the date of this prospectus; and
  - (vii) our Company has no outstanding convertible debt securities or debentures.
- (b) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (c) All necessary arrangements have been made enabling our Shares to be admitted into CCASS for clearing and settlement.