**CHECKLIST**

**CIRCULAR FOR MAJOR ACQUISITION**

**(GEM)**

|  |  |  |
| --- | --- | --- |
| **Name of Issuer** | **:** |  |
| **Case Number** | **:** |  |
| **Description of Transaction**  | **:** |  |

###### Information required in the Circular:-

|  |  | Page |  | **Complied With?****(Y/N/NA)** |  | **Comment****(where applicable)** |
| --- | --- | --- | --- | --- | --- | --- |
| **Part I - General** |  |  |  |  |  |  |
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| **Rule 2.18** |  |  |  |  |  |  |
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| A statement of responsibility and confirmation on the part of the directors of the issuer in the following form:—“This [document], for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this [document] is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.” |  |       |  |       |  |       |
| **Rule 2.19** |  |  |  |  |  |  |
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| Must contain on its front cover or inside front cover, a prominent and legible disclaimer statement as follows:-“Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.” |  |       |  |       |  |       |

|  |  | Page |  | **Complied With?****(Y/N/NA)** |  | **Comment****(where applicable)** |
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| **Rule 2.20** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Must contain, at a prominent position, and in bold type, a statement in the following terms concerning the characteristics of GEM:-“Characteristics of GEM of The Stock Exchange of Hong Kong Limited (the “Exchange”) |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.” |  |       |  |       |  |       |
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| **Rule 2.28** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| The issuer must, to the extent that it is aware having made all reasonable enquiries, include in the circular: |  |  |  |  |  |  |
| (1) | a statement as at the date by reference to which disclosure of the shareholding is made in the circular as to whether and to what extent any shareholder who is required to abstain from voting under the GEM Listing Rules controls or is entitled to exercise control over the voting right in respect of his shares in the issuer; |  |       |  |       |  |       |
| (2) | particulars of: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
|  | (a) | any voting trust or other agreement or arrangement or understanding (other than an outright sale) entered into by or binding upon any such shareholder; and |  |       |  |       |  |       |
|  | (b) | any obligation or entitlement of any such shareholder as at the date by reference to which disclosure of the shareholding of any such shareholder is made in the circular, |  |       |  |       |  |       |
|  | whereby he has or may have temporarily or permanently passed control over the exercise of the voting right in respect of his shares in the issuer to a third party, either generally or on a case-by-case basis; |  |  |  |  |  |  |
| (3) | a detailed explanation of any discrepancy between any such shareholder’s beneficial shareholding interest in the issuer as disclosed in the circular and the number of shares in the issuer in respect of which he will control or will be entitled to exercise control over the voting right at the relevant meeting; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (4) | steps undertaken by the shareholder (if any) to ensure shares being the subject of the discrepancy referred to in rule 2.28(3) are not voted. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| Rule 11.04 |  |  |  |  |  |  |
| Full and accurate disclosure of any business or interest of each director, controlling shareholder and, in relation only to the initial listing document, substantial shareholder and the respective close associates of each that competes or may compete with the business of the group and any other conflict of interest which any such person has or may have with the group must be disclosed in each listing document and circular required pursuant to the GEM Listing Rules (excluding any Explanatory Statement issued pursuant to rule 13.08).*(See Notes 1 to 3 to rule 11.04)* |  |       |  |       |  |       |
| **Rule 17.52A** |  |  |  |  |  |  |
| The circular published by an issuer pursuant to the GEM Listing Rules must set out its stock code in a prominent position on the cover page or, where there is no cover page, the first page of the relevant circular. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| **Rule 17.56A** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| The circular issued by an issuer pursuant to the GEM Listing Rules must disclose the name of each director as at the date of the relevant circular.  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| **Part II – Chapter 19** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Rule 19.58** |  |  |  |  |  |  |
| 1. a description of the principal business activities carried on by the listed issuer and the identity and a description of the principal business activities of the counterparty;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |  |
| 1. the date of the transaction. The listed issuer must also confirm that to the best of the directors' knowledge, information and belief having made all reasonable enquiry, the counterparty and the ultimate beneficial owner of the counterparty are third parties independent of the listed issuer and connected persons of the listed issuer;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |  |
| 1. the aggregate value of the consideration, how it is being or is to be satisfied and details of the terms of any arrangements for payment on a deferred basis. If the consideration includes securities for which listing will be sought and/or treasury shares, the listed issuer must also include the amounts and details of the securities being issued and/or transferred out of treasury;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |  |
| 1. the basis upon which the consideration was determined;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| 1. the value (book value and valuation, if any) of the assets which are the subject of the transaction;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |  |
| 1. where applicable, the net profits (both before and after taxation and extraordinary items) attributable to the assets which are the subject of the transaction for the two financial years immediately preceding the transaction;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |  |
| 1. the reasons for entering into the transaction, the benefits which are expected to accrue to the listed issuer as a result of the transaction and a statement that the directors believe that the terms of the transaction are fair and reasonable and in the interests of the shareholders as a whole; and
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |  |
| 1. where appropriate, details of any guarantee and/or other security given or required as part of or in connection with the transaction.
 |  |       |  |       |  |       |
| **Rule 19.60** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| 1. the general nature of the transaction including, where the transaction involves securities, details of any restrictions which apply to the subsequent sale of such securities;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 1. brief details of the asset(s) being acquired, including the name of any company or business or the actual assets or properties where relevant and, if the assets include securities, the name and general description of the activities of the company in which the securities are or were held;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (4) if the transaction involves an issue of securities for which listing will be sought or a transfer of treasury shares, the announcement must also include: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | 1. a statement that the announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities; and
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | 1. in the case where securities will be issued, a statement that application has been or will be made to the Exchange for the listing of and permission to deal in the securities.
 |  |       |  |       |  |       |
| (5) where the transaction is a major transaction approved or to be approved by way of written shareholders’ approval from a shareholder or a closely allied group of shareholders pursuant to rule 19.44, details of the shareholder or the closely allied group of shareholders (as the case may be), including the name of the shareholder(s), the number of securities held by each such shareholder and the relationship between the shareholders. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| **Rule 19.63** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| (1) | provide a clear, concise and adequate explanation of its subject matter having regard to the provisions of rule 17.56; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (2)  | if voting or shareholders' approval is required: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (a) | contain all information necessary to allow the holders of the securities to make a properly informed decision; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (b) | contain a heading emphasising the importance of the document and advising holders of securities who are in any doubt as to what action to take, to consult appropriate independent advisers; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (c) | contain a recommendation from the directors as to the voting action that shareholders should take, indicating whether or not the proposed transaction described in the circular is, in the opinion of the directors, fair and reasonable and in the interests of the shareholders as a whole; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (d) | contain a statement that any shareholder with a material interest in a proposed transaction and his close associates will abstain from voting on resolution(s) approving that transaction; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |
| (3) | a confirmation that, to the best of the directors' knowledge, information and belief having made all reasonable enquiry, the counterparty and the ultimate beneficial owner of the counterparty are third parties independent of the listed issuer and connected persons of the listed issuer. |  |       |  |       |  |       |
| **Rule 19.66** |  |  |  |  |  |  |
| (3) | Appendix D1B - 1, 2, 5, 29(2), 33, 35, 36 ***(See Part III of this checklist)***; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (4) | information regarding interests of directors and chief executive in the listed issuer required under paragraphs 34, 38 and 38A of Appendix D1B ***(See Part III of this checklist)***; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (6) | information concerning the effect of the transaction on the earnings and assets and liabilities of the listed issuer; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |
| (7) | where a company becomes a subsidiary of the listed issuer: |  |  |  |  |  |  |
|  | (a)  | the percentage of the company’s issued shares (if any) held by the listed issuer after the acquisition;  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |
| (8) | details of any existing or proposed service contracts of directors and proposed directors of the listed issuer, or an appropriate negative statement; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | *Note: Details of contracts to expire or which may be terminated by the employer within a year without payment of any compensation, other than statutory compensation, need not be included.* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| (9) | information as to the competing interests (if any) of each of the directors and any proposed director of the issuer (excluding its subsidiaries) and his/her respective close associates (as if each of them were treated as a controlling shareholder under rule 11.04); and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (10) | any additional information requested by the Exchange; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (11) | Appendix D1B – 28, 29(1)(b), 30, 40, 41, 42 ***(See Part III of this checklist)***; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (12) | where required by Chapter 8, information under that Chapter on the property interest being acquired by the listed issuer **(*Please refer to the checklist “Valuation of Properties Being Acquired/ Disposed of” (CF021G))***; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (14) | where applicable, the information required under rule 2.28. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| **Rule 19.67** |  |  |  |  |  |  |
| (1)  | Appendix D1B – 9, 10 (if the acquisition involves securities for which listing will be sought) ***(See Part III of this checklist)***; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (2)  | Appendix D1B – 22(1) (if shares are to be issued or transferred out of treasury as consideration) ***(See Part III of this checklist)***;  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (3)  | where the consideration for a transaction includes the listed issuer’s shares or securities that are convertible into the listed issuer's shares, a statement whether the transaction will result in a change of control of the listed issuer; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (4)  | Appendix D1B – 31 (financial information), 32 (no material adverse change) ***(See Part III of this checklist)***; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (5) | Appendix D1B – 34 in relation to each new director and member of senior management joining the listed issuer in connection with the transaction ***(See Part III of this checklist)***; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | *Note: The fact that any director or proposed director is a director or employee of a company which has an interest or short position in the shares or underlying shares of the listed issuer which would fall to be disclosed to the listed issuer under the provisions in Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance need not be stated.* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| (6) | (a) on an acquisition of any business, company or companies: |  |       |  |       |  |       |
|  | (i) an accountants’ report on the business, company or companies being acquired in accordance with Chapter 7 provided that, where any company in question has not or will not become a subsidiary of the listed issuer, the Exchange may be prepared to relax this requirement.The accounts on which the report is based must relate to a financial period ended 6 months or less before the circular is issued. The financial information on the business, company or companies being acquired as contained in the accountants’ report must be prepared using accounting policies which should be materially consistent with those of the listed issuer; and |  |       |  |       |  |       |
|  | *Note: Where the accountants can only give a modified opinion in the accountants’ report in respect of the acquisition of the business, company or companies, for example because the records of stock or work-in-progress are inadequate, the Exchange will not accept a written shareholders’ approval for the transaction, but will require a general meeting to be held to consider the transaction. (See rule 19.86.) In these circumstances, listed issuers are urged to contact the Exchange as soon as possible.* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | (ii) a pro forma statement of the assets and liabilities of the listed issuer's group combined with the assets and liabilities of the business, company or companies being acquired on the same accounting basis. The pro forma financial information must comply with Chapter 7; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
|  | (b) on an acquisition of any revenue-generating assets (other than a business or company) with an identifiable income stream or assets valuation: |  |  |  |  |  |  |
|  | (i) a profit and loss statement and valuation (where available) for the 3 preceding financial years (or less, where the asset has been held by the vendor for a shorter period) on the identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditors or reporting accountants to ensure that such information has been properly compiled and derived from the underlying books and records.   |  |       |  |       |  |       |
|  | The financial information on which the profit and loss statement is based must relate to a financial period ended 6 months or less before the circular is issued. The financial information on the assets being acquired as contained in the circular must be prepared using accounting policies which should be materially consistent with those of the listed issuer; and |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  | (ii) a pro forma statement of the assets and liabilities of the listed issuer's group combined with the assets being acquired on the same accounting basis. The pro forma financial information must comply with Chapter 7; and |  |       |  |       |  |       |
| (7) | a discussion and analysis of results of the business, company or companies being acquired covering all those matters set out in Rule 18.41 for the period reported on in the accountants' report. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| **Rule 19.71** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| Where the transaction involves acquiring an interest in an infrastructure project or an infrastructure or project company, the listed issuer shall incorporate in the circular or listing document a business valuation report on the business or company being acquired and/or traffic study report in respect of the infrastructure project or an infrastructure or project company. Such report(s) must clearly set out: |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
|  (1) | all fundamental underlying assumptions including discount rate or growth rate used; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
|  (2) | a sensitivity analysis based on the various discount rates and growth rates. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| Where any business valuation is based on a profit forecast, the accounting policies and calculations for the underlying forecasts must be examined and reported on by the auditors or reporting accountants. Any financial adviser mentioned in the circular or listing document must also report on the underlying forecasts.*Note: On profit forecasts, see also rules 19.60A and 19.61.* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Rule 19.67A  (Where the listed issuer does not have access or only has limited access to information for compiling circulars for major transactions under Rule 19.67A(1)** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| (2) Subject to the conditions in paragraphs (1)(a), (b) and (c) of rule 19.67A(1) being satisfied, the listed issuer may defer complying with the disclosure requirements for certain non-public information relating to the target company and/or the enlarged group. In such circumstances, the listed issuer must despatch an initial circular in partial compliance with rules 19.66 and 19.67 or rule 19.69 within the time frames stipulated in rules 19.41 and 19.42 or rules 19.48 and 19.52. The initial circular shall include, as a minimum, the following: |  |  |  |  |  |  |
| (a) material public information (and other available information of which the listed issuer is aware and is free to disclose) of the target company to enable shareholders to make an informed voting decision with respect to the proposed acquisition. This would include: |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| (i) published audited financial information of the target company for the preceding three years (and the latest published unaudited interim accounts) together with a qualitative explanation of the principal differences, if any, between the target company’s accounting standards and those of the listed issuer’s which may have a material impact on the financial statements of the target company; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| (ii) other information of the target company and its group of companies in the public domain or made available by the target company and which the listed issuer is aware and free to disclose;  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
|  (b)  where information required for the enlarged group is not available, to include the following information regarding the listed issuer: |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| (i) statement of indebtedness (see rule 19.66(11), paragraph 28 and Note 2 to Appendix D1B);  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (ii) statement of sufficiency of working capital (see rule 19.66(11), paragraph 30 and Note 2 to Appendix D1B); |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (v) statement as to the financial and trading prospects (see rule 19.66(11), paragraph 29(1)(b) and Note 2 to Appendix D1B); |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (vi) particulars of any litigation or claims of material importance (see rule 19.66(3), paragraph 33 and Note 2 to Appendix D1B); |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (vii) particulars of directors’ or experts’ interests in group assets (see rule 19.66(11), paragraph 40 and Note 2 to Appendix D1B);  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (viii) material contracts and documents on display (see rule 19.66(11), paragraphs 41, 42(2)(c), (3), (4) and Note 2 to Appendix D1B); and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| (c) the reasons why access to books and records of the target company has not been granted to the listed issuer. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  (3) Where an initial circular has been despatched by a listed issuer under paragraph (2) above, the listed issuer must despatch a supplemental circular at a later date which contains: (i) all the prescribed information under rules 19.66 and 19.67 or rule 19.69 which has not been previously disclosed in the initial circular; and (ii) any material changes to the information previously disclosed in the initial circular.  The supplemental circular must be despatched to shareholders within 45 days of the earlier of: the listed issuer being able to gain access to the target company’s books and records for the purpose of complying with the disclosure requirements in respect of the target company and the enlarged group under rules 19.66 and 19.67 or rule 19.69; and the listed issuer being able to exercise control over the target company.  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| **Rule 19.32A (For disposals or deemed disposals of a listed issuer’s interests in a subsidiary from the grant of new or existing shares of the subsidiary or options over any such shares under a share scheme (other than a share scheme of a principal subsidiary set out in rule 19.04(1)(h))** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| (2) The circular must contain the major terms of the share scheme.  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| **Part IIA – Chapter 18A (For acquisitions which solely or mainly involve mineral and/or petroleum assets)** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| **Rule 18A.05** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| (2) a statement that no material changes have occurred since the effective date of the Competent Person’s Report. Where there are material changes, these must be prominently disclosed;  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| (3) the nature and extent of its prospecting, exploration, exploitation, land use and mining rights and a description of the properties to which those rights attach, including the duration and other principal terms and conditions of the concessions and any necessary licences and consents. Details of material rights to be obtained must also be disclosed;  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| (4) a statement of any legal claims or proceedings that may have an influence on its rights to explore or mine; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| (5) disclosure of specific risks and general risks with regard to Practice Note 4 on suggested risk analysis; and  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| (6) if relevant and material to the Mineral Company's business operations, information on the following:-  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| 1. project risks arising from environmental, social, and health and safety issues;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| 1. any non-governmental organisation impact on sustainability of mineral and/or exploration projects;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| 1. compliance with host country laws, regulations and permits, and payments made to host country governments in respect of tax, royalties and other significant payments on a country by country basis;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| 1. sufficient funding plans for remediation, rehabilitation and, closure and removal of facilities in a sustainable manner;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| 1. environmental liabilities of its projects or properties;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| 1. its historical experience of dealing with host country laws and practices, including management of differences between national and local practice;
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| 1. its historical experience of dealing with concerns of local governments and communities on the sites of its mines, exploration properties, and relevant management arrangements; and
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| 1. any claims that may exist over the land on which exploration or mining activity is being carried out, including any ancestral or native claims.
 |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| **Rule 18A.09** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| (2) a Competent Person’s Report on the resources and/or resources being acquired;  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| (3) a Valuation Report on the mineral and/or petroleum assets being acquired; and  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| (4) information required under rules 18A.05(2) to 18A.05(6) in respect of the assets being acquired ***(See above)***.  |  |       |  |       |  |       |
|  |  |  |  |  |  |  |
| **Part III – Appendix D1B** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 1. | The full name of the issuer. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 2. | A statement as follows:"This document, for which the directors of the issuer collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the issuer. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.”***(See Note 1 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 5. | Where the listing document includes a statement purporting to be made by an expert, a statement: |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | (1) | specifying the qualifications of such expert and whether such expert has any shareholding in any member of the group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the group and, if so, a full description thereof; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (2) | that the expert has given and has not withdrawn his written consent to the issue of the listing document with the expert's statement included in the form and context in which it is included; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (3) | of the date on which the expert's statement was made and whether or not it was made by the expert for incorporation in the listing document. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 9. | If the acquisition involves securities for which listing will be sought: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (1) | A statement that application has been or will be made to the Exchange for listing of and permission to deal in the securities. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (2) | In case of a new class of securities to be listed, a statement that all necessary arrangements have been made enabling the securities to be admitted into CCASS. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (3) | A statement to the effect that dealings in securities of the issuer may be settled through CCASS and that investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangement and how such arrangements will affect their rights and interests. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (4) | In case of a new class of securities to be listed, a statement of the minimum prescribed percentage applicable to that class of securities pursuant to rule 11.23. If the minimum prescribed percentage cannot be determined as at the date of the document, an indicative range should be provided. |  |       |  |       |  |       |
| 10. | If the acquisition involves securities for which listing will be sought: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (1) | The nature and amount of the issue including the number (or, if not yet determinable, the minimum and maximum number) of securities which have been or will be created and/or issued, if predetermined. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (2) | Whether or not, and if so to what extent, the issue has been underwritten and, if not fully underwritten, the minimum amount of capital, if any, which the issuer must raise for the issue to proceed. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | *Note: Reference to securities for which listing will be sought includes treasury shares, and references to issue include transfer of treasury shares.* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 22. | If shares are to be issued or transferred out of treasury as consideration: 1. The authorised share capital of the issuer, the amount issued or agreed to be issued, the amount paid up, the nominal value and a description of the shares.

(1A) Particulars of and the number of treasury shares held by the issuer or its subsidiary or through their agents or nominees. |  |            |  |            |  |            |
|  |  |  |  |  |  |  |  |
| 28. | A statement as at the most recent practicable date (which must be stated) of the following on a consolidated basis if material: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (1) | the total amount of any debt securities of the group issued and outstanding, and authorised or otherwise created but unissued, and term loans, distinguishing between guaranteed, unguaranteed, secured (whether the security is provided by the issuer or by third parties) and unsecured, or an appropriate negative statement; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (2) | the total amount of all other borrowings or indebtedness in the nature of borrowing of the group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, distinguishing between guaranteed, unguaranteed, secured and unsecured borrowings and debt, or an appropriate negative statement; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (3) | all mortgages and charges of the group, or an appropriate negative statement; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (4) | the total amount of any contingent liabilities or guarantees of the group, or an appropriate negative statement. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | Intra-group liabilities should normally be disregarded, a statement to that effect being made where necessary. ***(See Note 2 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 29. | (1) | (b) | a statement as to the financial and trading prospects of the group for at least the current financial year, together with any material information which may be relevant thereto, including all special trade factors or risks (if any) which are not mentioned elsewhere in the listing document and which are unlikely to be known or anticipated by the general public, and which could materially affect the profits.***(See Note 2 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (2) | The issuer must determine in advance with its financial adviser whether to include a profit forecast in a listing document. Where a profit forecast appears in any listing document, it must be clear, unambiguous and presented in an explicit manner and the principal assumptions, including commercial assumptions, upon which it is based, must be stated. The accounting policies and calculations for the forecast must be examined and reported on by the reporting accountants or auditors, as appropriate, and their report must be set out. The financial adviser must report in addition that they have satisfied themselves that the forecast has been stated by the directors after due and careful enquiry, and such report must be set out. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 30. | A statement by the directors that in their opinion the working capital available to the group is sufficient for the group’s requirements for at least 12 months from the date of publication of the listing document or, if not, how it is proposed to provide the additional working capital thought by the directors to be necessary.***(See Note 2 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 31. | (1) | Where required by Chapter 7, a report by the reporting accountants in accordance with that Chapter. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (2) | If after the date to which the latest published audited accounts of the issuer have been made up, any member of the group has acquired or agreed to acquire or is proposing to acquire a business or an interest in the share capital of a company whose profits or assets make or will make a material contribution to the figures in the auditors' report or next published accounts of the issuer: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (a) | a statement of the general nature of the business or of the business of the company in which an interest has been or is being acquired, together with particulars of the situation of the principal establishments and of the principal products; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (b) | a statement of the aggregate value of the consideration for the acquisition and how it was or is to be satisfied; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (c) | if the aggregate of the remuneration payable to and benefits in kind receivable by the directors of the acquiring company will be varied in consequence of the acquisition, full particulars of such variation; if there will be no variation, a statement to that effect. ***(See Note 8 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (3) | Information for the last 3 financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheet together with the notes on the annual accounts for the last financial year: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (a) | for the group; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (b) | for any company acquired since the date of the last published audited accounts of the group in respect of which an accountants' report has already been submitted to shareholders or which was itself during the last 12 months a listed issuer.***(See Note 10 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 32. | A statement by the directors of any material adverse change in the financial or trading position of the group since the date to which the latest published audited accounts of the issuer have been made up, or an appropriate negative statement. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 33. | Particulars of any litigation or claims of material importance pending or threatened against any member of the group, or an appropriate negative statement. ***(See Note 2 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 34. | In relation to each new director and member of the senior management joining the listed issuer in connection with the transaction:The full name, residential or business address of them should be provided. Where a proposed director has any former name or alias, such information should be disclosed. In addition, brief biographical details in respect of the proposed directors and proposed senior managers shall be provided. Such biographical details will include name, age, positions held with the issuer and other members of the enlarged group, length of service with the issuer and the enlarged group including current and past directorships in other listed public companies in the last three years and such other information (which may include business experience) of which shareholders should be aware, pertaining to the ability or integrity of such persons. Where any of such directors or senior managers are related, having with any other director or senior manager any one of the relationships set out below, that fact should be stated. The relationships are spouse; any person cohabiting with the director or senior manager as a spouse; and any relative meaning a child or step-child regardless of age, a parent or step-parent, a brother, sister, step-brother or a step-sister, a mother-in-law, a father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law. Where any director or proposed director is a director or employee of a company which has an interest or short position in the shares or underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, that fact shall be stated. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | It is the responsibility of the directors of the issuer to determine which individual or individuals constitute senior management. Senior management may include directors of subsidiaries and heads of divisions, departments or other operating units within the group as senior management as, in the opinion of the issuer's directors, is appropriate.***(See Notes 8 and 9 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 34. | For directors and chief executive: |  |  |  |  |  |  |
|  |  - where any director or proposed director is a director or employee of a company which has an interest or short position in the shares or underlying shares of the issuer which would fall to be disclosed to the issuer under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, that fact shall be stated.***(See Note 8 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |
| 35. | (1) | The full names and professional qualifications, if any, of: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (a) | the secretary of the issuer; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (b) | the compliance officer to the issuer appointed pursuant to rule 5.19. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (2) | The names of the individuals appointed to the issuer's audit committee, their background and directorships (and past directorships), if any, of other companies listed on GEM, the Main Board or other exchanges, and a description of the functions of the audit committee. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 36. | The situation of the registered office and, if different, the head office and transfer office. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 38. | (1) | A statement showing the interests or short positions of each director and chief executive of the issuer in the shares, underlying shares and debentures of the issuer or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance) which:— |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (a) | are required to be notified to the issuer and the Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interests or short positions which he is taken or deemed to have under such provisions of the Securities and Futures Ordinance); or |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (b) | are required, pursuant to section 352 of the Securities and Futures Ordinance, to be entered in the register referred to therein; or |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (c) | are required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the issuer and the Exchange; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | or an appropriate negative statement. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |
|  | (2) | The information required to be included by virtue of paragraph 38(1) of Appendix D1B must specify the company in which interests or short positions are held, the class to which those securities belong and the number of such securities held, but need not disclose: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (a) | the interests of a director or a chief executive officer in the shares of the listed issuer or any of its subsidiaries if such interest is held solely in a non-beneficial capacity and is for the purpose of holding the requisite qualifying shares; or |  |       |  |       |  |       |
|  |  | (b) | the non-beneficial interests of directors or chief executive officers in the shares of any subsidiary of the listed issuer in so far as that interest comprises the holding of shares subject to the terms of a written, valid and legally enforceable declaration of trust in favour of the parent company of that subsidiary or the listed issuer and such interest is held solely for the purpose of ensuring that the relevant subsidiary has more than one member. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | *Note: Where interests in securities arising from the holding of such securities as qualifying shares are not disclosed pursuant to the exception provided in this paragraph, a general statement should nevertheless be made to indicate that the directors hold qualifying shares.* |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
|  | (4) | Statements disclosing interests and short positions in shares, underlying shares and debentures have to separately refer to three categories of persons, namely, directors and chief executives, substantial shareholders and other persons who are required to disclose their interests. Such statements should describe the capacity in which such interests and short positions are held and the nature of such interests and short positions as disclosed in the prescribed forms required to be used, when giving notice pursuant to sections 324 and 347 of Part XV of the Securities and Futures Ordinance. Where interests or short positions are attributable on account of holdings through corporations that are not wholly-owned by the person making disclosure, the percentage interests held by such person in such corporations should be disclosed. |  |       |  |       |  |       |
| 38A. | For directors and chief executives, the statements should show details of the following matters as recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |
|  | (1) | aggregate long position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (a) | interests in shares (other than pursuant to equity derivatives such as share options, warrants to subscribe or convertible bonds); |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (b) | interests in debentures; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (c) | interests under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:(i) physically settled equity derivatives;(ii) cash settled equity derivatives;(iii) other equity derivatives. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |  |
|  |  | ***(See Notes 1 to 3 to paragraph 38A(1) of Appendix D1B)*** |  |  |  |  |  |  |
|  | (2) | aggregate short position in shares and (in respect of positions held pursuant to equity derivatives) underlying shares and in debentures of the issuer and its associated corporation(s) showing separately for each entity: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (a) | short positions in respect of shares arising under a stock borrowing and lending agreement; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (b) | short positions under equity derivatives showing separately for listed and unlisted equity derivatives, interests in underlying shares of the entity pursuant to:(i) physically settled equity derivatives;(ii) cash settled equity derivatives; and(iii) other equity derivatives. |  |       |  |       |  |       |
|  |  ***(See Notes 1 and 2 to paragraph 38A(2) of Appendix D1B)*** |  |  |  |  |  |  |
|  | ***(See Note 7 to Appendix D1B)*** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 38C. | For other persons whose interests are recorded (or, in the case of a new listing, are required to be recorded) in the register required to be kept under section 336 of the Securities and Futures Ordinance, the statements should show details of the same matters as are required to be disclosed in the case of a substantial shareholder pursuant to paragraph 38B, except that note (3) to paragraph 38B(1) does not apply. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | ***(See Note 7 to Appendix D1B)*** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| 40. | (1) | Full particulars of the nature and extent of the interest, direct or indirect, if any, of every director or proposed director or expert (as named in the listing document) in any assets which have been, since the date to which the latest published audited accounts of the issuer were made up, acquired or disposed of by or leased to any member of the group, or are proposed to be acquired or disposed of by or leased to any member of the group, including: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (a) | the consideration passing to or from any member of the group; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (b) | short particulars of all transactions relating to any such assets which have taken place within such period, |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | or an appropriate negative statement. |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (2) | Full particulars of any contract or arrangement subsisting at the date of the listing document in which a director of the issuer is materially interested and which is significant in relation to the business of the group, or an appropriate negative statement.***(See Notes 2 and 8 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 41. | The dates of and parties to all material contracts (not being contracts entered into in the ordinary course of business) entered into by any member of the group within the 2 years immediately preceding the issue of the listing document, together with a summary of the principal contents of such contracts and particulars of any consideration passing to or from any member of the group.***(See Note 2 to Appendix D1B)*** |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
| 42. | Details of a reasonable period of time (being not less than 14 days) during which the following documents where applicable are published on the Exchange’s website and the issuer’s own website: |  |       |  |       |  |       |
|  |
|  | (2) | each of the following contracts: |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | (c) | in the case of a notifiable transaction or connected transaction circular any contracts pertaining to the transaction, |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  |  | or where any of the above contracts have not been reduced into writing, a memorandum giving full particulars thereof; |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (3) | all reports, letters or other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in the listing document; and |  |       |  |       |  |       |
|  |  |  |  |  |  |  |  |
|  | (4) | a written statement signed by the reporting accountants setting out the adjustments made by them in arriving at the figures shown in their report and giving the reasons therefor.***(See Note 2 to Appendix D1B)*** |  |       |  |       |  |       |

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| **Part IV - Documents to be submitted** | **Date of submission** |
|  |  |
| **Rule 19.66(13)** |  |
|  |  |
| Where the circular contains a statement as to the sufficiency of working capital, the Exchange will require a letter from the listed issuer's financial advisers or auditors confirming that: |  |
|  |  |  |
|  | (a) | the statement has been made by the directors after due and careful enquiry; and |       |
|  |  |  |
|  | (b) | the persons or institutions providing finance have confirmed in writing that such facilities exist. |       |
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| * This checklist is provided for reference only. In case of doubt, listed issuers are advised to refer to the Listing Rules for the specific requirements.
* Please make annotation in the margin of the draft document for the respective paragraph of the Listing Rules.
* When your answer to an item on the checklist is “No” or “Not applicable”, the reason for such response should be clearly disclosed in the “Comment” section.
 |

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|  |  |  |  |
| Submitted by: |       | Date: |       |
|  | Signature |  |  |
|  |       |  |  |
|  | Name and Firm |  |  |
|  |  |  |  |