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Lingbao Gold Group Company Ltd.

靈寶黃金集團股份有限公司

(A joint stock limited company incorporated in the People's Republic of China)

(Stock code: 3330)

**DISCLOSEABLE TRANSACTION
FINANCE LEASE ARRANGEMENT**

FINANCE LEASE ARRANGEMENT

The Board would like to announce that on 29 December 2017 (after trading hours), the Company and Jiuding Financial Leasing entered into the Agreements, pursuant to which, among other things, Jiuding Financial Leasing agreed to purchase the Leased Assets from the Company for a consideration of RMB200 million and thereafter lease back the Leased Assets to the Company for a term of 3 years commencing from 29 December 2017 with reference to the benchmark interest rate for RMB 1-5 years loans according to the People's Bank of China from time to time.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as set out in the Listing Rules) in respect of the Agreements exceed 5% but are less than 25%, the entering into of the Agreements constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

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The principal terms of the Agreements are set out below.

THE AGREEMENTS

(I) FINANCE LEASE AGREEMENT

Date

29 December 2017

Parties

- (i) Jiuding Financial Leasing, as lessor
- (ii) the Company, as lessee

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Jiuding Financial Leasing and its ultimate beneficial owners are Independent Third Parties.

Leaseback Arrangement

Pursuant to the Finance Lease Agreement, Jiuding Financial Leasing agreed to purchase the Leased Assets from the Company for a consideration of RMB200 million and thereafter lease back the Leased Assets to the Company for a period of 3 years. The consideration of RMB200 million shall be paid in full by Jiuding Financial Leasing to the Company in cash on the date and bank account designated by the Company upon satisfaction or waiver of the conditions precedent stated in the Finance Lease Agreement, including but not limited to the delivery of the relevant certificates, approvals and payment notice by the Company to Jiuding Financial Leasing, the execution of the Finance Lease Service Agreement and the Guarantee Agreement and the payment of the finance lease service fee contemplated under the Finance Lease Service Agreement, etc. The consideration of RMB200 million was determined after arm's length negotiations between the parties to the Finance Lease Agreement with reference to the net asset value of the Leased Assets as at 30 September 2017, being RMB164.5 million.

Lease Payments

The lease payments payable by the Company to Jiuding Financial Leasing under the Finance Lease Agreement consists of the principal amount of RMB200 million and the estimated aggregate interest of RMB20.31 million, payable quarterly in 12 instalments during the Lease

Period. The interest rate is calculated with reference to the benchmark interest rate for RMB 1-5 years loans according to the People's Bank of China from time to time.

The lease payments were determined after arm's length negotiations between the parties to the Agreements with reference to the prevailing market rates for finance leases for similar assets.

Deposit

Pursuant to the Finance Lease Agreement, the Company shall pay a deposit (free from interests) of RMB10 million to Jiuding Financial Leasing (the "**Deposit**"). If the Company fails to pay the lease payments or any other liabilities under the Finance Lease Agreement in time, Jiuding Financial Leasing is entitled to deduct the corresponding amount from the Deposit. Any remaining Deposit may be used to set off the final lease payments.

Buyback arrangement

The ownership of the Leased Assets shall vest in Jiuding Financial Leasing during the Lease Period. Upon expiry of the lease term and subject to payment by the Company of (i) all lease payments and interests due to Jiuding Financial Leasing; and (ii) a nominal repurchase price of RMB100, the ownership of the Leased Assets will be transferred back to the Company.

(II) FINANCE LEASE SERVICE AGREEMENT

Date

29 December 2017

Parties

- (i) Jiuding Financial Leasing
- (ii) the Company

According to the Finance Lease Service Agreement, Jiuding Financial Leasing shall charge the Company a service fee of RMB6 million for the Lease Period, for the provision of consultancy service and advice in respect of the finance lease.

The service fees were determined after arm's length negotiations between the parties to the Finance Lease Service Agreement with reference to the prevailing market rates for finance leases for similar assets and represent 1.0% per annum of the original principal amount and over the Lease Period.

(III) GUARANTEE AGREEMENT

Date

29 December 2017

Parties

- (i) Jiuding Financial Leasing, as obligee
- (ii) Lingbao Wason, as guarantor

In connection with the Finance Lease Agreement, Lingbao Wason entered into the Guarantee Agreement with Jiuding Financial Leasing to provide guarantee to Jiuding Financial Leasing for the obligations and liabilities of the Company under the Finance Lease Agreement. The scope of the guarantee includes all of the Company's liabilities under the Finance Lease Agreement, including but not limited to lease payments, deposit, default interest, liquidated damages, legal fee, notarial fee, tax, litigation fee, travel expense, evaluation fee, auction fee, asset maintenance fee, enforcement fee, advertising fee, delivery fee, appraisal fee, and other relevant costs incurred from realization of claims by Jiuding Financial Leasing.

INFORMATION ON THE GROUP

The Group is an integrated gold mining enterprise in the PRC, and is mainly engaged in gold mining, smelting, refining and copper processing. Lingbao Wason is a company incorporated in the PRC, and is mainly engaged in the production and sale of copper foil and flexible copper clad laminate.

INFORMATION ON JIUDING FINANCIAL LEASING

Jiuding Financial Leasing is a company incorporated in the PRC and is a company principally engaged in the business of financial leasing.

REASONS FOR AND BENEFITS OF THE FINANCE LEASE ARRANGEMENT

The Directors are of the view that the entering into the Agreements will benefit the Group. The entering into of the Agreements will provide the Group with extra working capital. The Group intends to use this additional working capital to repay the Company's existing short term bank loans. The Directors believe that the terms of the Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as set out in the Listing Rules) in respect of the Agreements exceed 5% but are less than 25%, the entering into of the Agreements constitutes a discloseable transaction of the Company under the Listing Rules and is therefore subject to the notification and announcement requirements but exempt from the shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

"Agreements"	together, the Finance Lease Agreement, the Finance Lease Service Agreement and the Guarantee Agreement in relation to the sale and leaseback arrangement for the Leased Assets;
"Board"	the board of Directors;
"Company"	Lingbao Gold Group Company Ltd., a company incorporated in the PRC, the shares of which are listed on the Stock Exchange;
"Director(s)"	directors of the Company;
"Finance Lease Agreement"	the finance lease agreement entered into between the Company and Jiuding Financial Leasing on 29 December 2017;
"Finance Lease Service Agreement"	the finance lease service agreement entered into between the Company and Jiuding Financial Leasing on 29 December 2017;
"Group"	the Company and its subsidiaries;
"Guarantee Agreement"	the guarantee agreement entered into between Lingbao Wason and Jiuding Financial Leasing on 29 December 2017;
"Hong Kong"	the Hong Kong Special Administration Region of the PRC;
"Independent Third Party"	any person or company and their respective ultimate beneficial owner(s), to the best knowledge, information and belief of the Directors and having made all reasonable enquiries, are third parties independent of the Company and its connected persons
"Jiuding Financial Leasing"	河南九鼎金融租賃股份有限公司(Henan Jiuding Financial Leasing Co., Ltd.*), a company established in the PRC with limited liability and is an Independent Third Party;
"Lease Period"	3 years commencing from 29 December 2017;

"Leased Assets"	certain mining pits and mining shafts, the ownership of which belongs to the Company;
"Lingbao Wason"	靈寶華鑫銅箔有限責任公司 (Lingbao Wason Copper-Foil Company Ltd*), a company established in the PRC with limited liability and is a wholly owned subsidiary of the Company;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"PRC"	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"RMB"	Renminbi, the lawful currency of the PRC;
"Shareholders"	the shareholders of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

By order of the Board
Lingbao Gold Group Company Ltd.
Chen Jianzheng
Chairman

Henan, the PRC
2 January 2018

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Chen Jianzheng, Mr. Wang Leo, Ms. Zhou Xing, Mr. Zhao Kun and Mr. Xing Jiangze; one non-executive Director, namely Mr. Shi Yuchen; and four independent non-executive Directors, namely Mr. Yang Dongsheng, Mr. Han Qinchun, Mr. Wang Jiheng and Mr. Wang Guanghua.

** for identification purposes only*