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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 ACQUISITION OF PROPERTY

THE AGREEMENT

The Board wishes to announce that on 27 February 2019, the Purchaser, a wholly-owned subsidiary of the Company, have entered into the Agreement with the Vendor, pursuant to which, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at a consideration of RMB61,250,000.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement under the Listing Rules.

INTRODUCTION

The Board wishes to announce that on 27 February 2019, the Purchaser, a wholly-owned subsidiary of the Company, have entered into the Agreement with the Vendor, pursuant to which, the Vendor has agreed to sell and the Purchaser has agreed to purchase the Property at a consideration of RMB61,250,000.

THE AGREEMENT

Date	27 February 2019
Parties	(i) the Purchaser (ii) the Vendor

Property to be acquired

中國深圳市南山區粵海街道科苑大道鵬瑞深圳灣壹號廣場 1 棟 C 座 7A (Room 7A, Block C, Tower 1, Pengrui Shenzhen Bay One Central, Keyuan Avenue, Yuehai Street, Nanshan District, Shenzhen, the PRC[#]). The gross floor area of the Property is approximately 792.24 square feet.

As at the date of this announcement, the Property is subject to a mortgage. The Vendor shall repay such mortgage within 15 days of the Purchaser having paid the Consideration into an independent bank's escrow account agreed by both parties (the "**Escrow Account**"). The Property shall be delivered to the Purchaser within 15 days after the Vendor has received the Consideration in full (such funds are to be released to the Vendor from the Escrow Account) and have conducted the handover inspection.

Consideration

The consideration for the Acquisition is RMB61,250,000, which is inclusive of a deposit amount of RMB9,000,000 and stamp duty payable in relation to the Acquisition (the "**Consideration**"). The Purchaser shall pay the Consideration into the Escrow Account before 8 March 2019 .

To ensure that the Vendor will deliver the Property and settle all fees, the Vendor has agreed and paid RMB200,000 (the "**Security**") into an escrow account held by an independent third party as security . The Vendor and Purchaser have agreed that the independent escrow agent shall deduct any outstanding expenses and any amounts incurred as a result of loss or damage of properties from the Security. The balance of the Security shall be returned to the Vendor within one day after the Property has been delivered to the Purchaser and that the parties have settled the expenses relating to the Acquisition.

The Consideration was determined between the Vendor and the Purchaser after arm's length negotiations with reference to, amongst other things, the market value of the Property as at 18 February 2019 in the amount of RMB61,255,997 as valued by an independent property valuer using comparison approach. The Consideration will be financed by internal resources and bank financing of the Company.

The Vendor and the Purchaser shall arrange for the payment of the stamp duty within 30 days of receipt of the acknowledgement of the registration of the change of title of the Property.

Fund Management Agreement

Pursuant to the terms of the Agreement, the Purchaser, the Vendor and a PRC bank shall enter into a fund management agreement before 4 March 2019 for the purpose of, among others, appointing the bank to provide the Escrow Account and manage the Consideration to be paid into the Escrow Account by the Purchaser.

On 27 February 2019, the Purchaser, the Vendor and a PRC bank have entered into the Fund Management Agreement, pursuant to which, the parties have agreed that upon the Vendor evidencing, among others, (i) a copy of the property ownership certificate of the Property showing that the title to the Property has been transferred to the Purchaser; and (ii) a payment authorization notice executed by the Purchaser, the Consideration shall be released from the Escrow Account to the Vendor's designated bank account.

Completion

The parties to the Agreement have confirmed that completion of the Acquisition shall take place when the Purchaser has obtained the property ownership certificate of the Property and the Consideration cannot be released to the Vendor before the title of the Property has been transferred under the name of the Purchaser.

INFORMATION ON THE GROUP

The Group is an integrated gold mining enterprise in the PRC, and is mainly engaged in gold mining, smelting and refining.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in the PRC with limited liability and is principally engaged in investment business. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Vendor and its ultimate beneficial owner(s) are third parties independent of, and not connected persons (as defined in the Listing Rules) of, the Company.

REASONS FOR THE ACQUISITION

The Group intends to use the Property as an office to cope with the business development and expansion of the Group and the Directors consider that the purchase of the Property is beneficial to the Group by providing additional office space for the Group. The Property is intended to be held by the Group for its own use as office and administrative purposes.

The Directors are of the view that the terms of the Acquisition are on normal commercial terms, which are fair and reasonable and the entering into the Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from Shareholders' approval requirement under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“Acquisition”	acquisition of the Property by the Purchaser from the Vendor pursuant to the terms and conditions of the Agreement;
“Agreement”	the agreement for the sale and purchase of the Property dated 27 February 2019 entered into between the Purchaser and the Vendor;
“Board”	the board of Directors;

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Company"	Lingbao Gold Group Company Ltd., a joint stock company incorporated in the PRC, the shares of which are listed on the Stock Exchange;
"Consideration"	has the meaning ascribed to it under the paragraph headed "The Agreement - Consideration"
"Director(s)"	director(s) of the Company;
"Escrow Account"	has the meaning ascribed to it in the section headed "The Agreement - Property to be acquired"
"Fund Management Agreement"	the fund management agreement dated 27 February 2019 entered into between the Purchaser, the Vendor and a PRC bank relating to the provision and management of the Escrow Account by the PRC bank
"Group"	the Company and its subsidiaries;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Property"	中國深圳市南山區粵海街道科苑大道鵬瑞深圳灣壹號廣場 1 棟 C 座 7A (Room 7A, Block C, Tower 1, Pengrui Shenzhenwan One Central, Keyuan Avenue, Yuehai Street, Nanshan District, Shenzhen, the PRC#), the gross floor area of which is approximately 792.24 square feet;
"Purchaser"	深圳金達黃金有限公司 (Shenzhen Jinda Gold Company Limited#), a company incorporated in the PRC with limited liability and is wholly-owned by the Company;
"PRC"	the People's Republic of China, which shall, for the purpose of this announcement, exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Security"	has the meaning ascribed to it under the paragraph headed "The Agreement - Consideration"
"Shareholder(s)"	shareholders of the Company;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Vendor"	深圳東澤投資發展有限公司 (Shenzhen Dongze Investment Development Company Limited#), a company incorporated in the PRC with limited liability and an independent third party;

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per cent.

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

Henan, the PRC, 27 February 2019

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Chen Jianzheng, Mr. Xing Jiangze, Ms. Zhou Xing, Mr. Zhao Kun and Mr. Wang Leo; 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 only