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LINGJIN
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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)

**SUPPLEMENTAL AGREEMENT TO THE EQUITY TRANSFER AGREEMENT IN
RELATION TO THE VERY SUBSTANTIAL DISPOSAL AND CONNECTED
TRANSACTION IN RELATION TO DISPOSAL OF 100% EQUITY INTEREST IN A
WHOLLY-OWNED SUBSIDIARY
AND
CONTINUING CONNECTED TRANSACTIONS UNDER RULE 14A.60(1) OF THE
LISTING RULES**

Reference is made to the announcement of the Company dated 12 August 2018 and the circular of the Company dated 31 August 2018 in relation to, among other things, the Equity Transfer Agreement dated 12 August 2018 entered into between the Company and Shenzhen Londian, pursuant to which, the Company agreed to sell, and Shenzhen Londian agreed to acquire 100% of the equity interest in Lingbao Wason at a Consideration of RMB2,558,196,780. On 7 November 2018, the AIC Registration has completed and Shenzhen Londian shall pay the remaining balance of the Consideration pursuant to the terms of the Equity Transfer Agreement. The Company was informed that for the purpose of financing for the Consideration, Shenzhen Londian has obtained loan support from a domestic bank in China. The bank has released the loan to Shenzhen Londian on 1 January 2019 and it is expected that Shenzhen Londian will pay the Remaining Consideration to the Company on 2 January 2019 morning.

SUPPLEMENTAL AGREEMENT

Based on the actual operating requirements of the Company, the Company, Shenzhen Londian and Lingbao Wason entered into the Supplemental Agreement on 31 December 2018 (after trading hours), pursuant to which, the parties have agreed, among other things, (i) the payment date of the Remaining Consideration payable by Shenzhen Londian shall be extended to 3 January 2019; (ii) the Company shall transfer its management and control rights in Lingbao Wason to Shenzhen Londian on 31 December 2018; and (iii) the Company shall enjoy and bear the profits and losses (including all previous undistributed revenue and capital accumulation fund) of Lingbao Wason incurred prior to 31 December 2018 (inclusive) whilst Shenzhen Londian shall enjoy and bear all such profits and losses incurred by Lingbao Wason thereafter, and Lingbao Wason shall settle all outstanding balances owing to the Company by 31 January 2019.

CONTINUING CONNECTED TRANSACTIONS UNDER RULE 14A.60(1) OF THE LISTING RULES

As at 31 December 2018 and after completion of the transfer of management and control rights in Lingbao Wason by the Company to Shenzhen Londian, Lingbao Wason became a connected person of the Company. Before Lingbao Wason became a connected person of the Company, the Company provided several guarantees to Lingbao Wason's loans. Due to internal reasons of the relevant banks, the Company cannot early-terminate the Guarantee Arrangements and therefore, the Guarantee Arrangements shall continue after the Share Transfer Completion. Accordingly, the Guarantee Arrangements provided by the Company to Lingbao Wason after Lingbao Wason became a connected person of the Company constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is subject to the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules in relation to the Guarantee Arrangements. Where there is an extension of the term of or amendment of the terms of guarantees under the Guarantee Arrangements, the Company shall fully comply with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

LISTING RULES IMPLICATIONS

D&R is the single largest shareholder of the Company which owns approximately 32.69% of the total issued domestic share capital and 21.45% of the total issued share capital of the Company (including domestic Shares and H Shares of the Company) respectively as at the date of this announcement. Shenzhen Londian is indirectly controlled by D&R. Therefore, Shenzhen Londian is a connected person of the Company under Chapter 14 of the Listing Rules. After the Share Transfer Completion, Lingbao Wason became a subsidiary of Shenzhen Londian and a connected person of the Company. The provision of the Guarantee Arrangements by the Company to Lingbao Wason constitutes provision of financial assistance by the Company under Chapter 14A of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of Lingbao Gold Group Company Ltd. (the "**Company**") dated 12 August 2018 (the "**Announcement**") and the circular of the Company dated 31 August 2018 (the "**Circular**") in relation to, among other things, the equity transfer agreement dated 12 August 2018 (the "**Equity Transfer Agreement**") entered into between the Company and Shenzhen Londian Electrics Co., Ltd. (深圳龍電電氣股份有限公司) ("**Shenzhen Londian**"), pursuant to which, the Company agreed to sell, and Shenzhen Londian agreed to acquire 100% of the equity interest in Lingbao Wason Copper-Foil Company Ltd. (靈寶華鑫銅箔有限責任公司) ("**Lingbao Wason**") at a Consideration of RMB2,558,196,780. Unless the context otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in any of the Announcement and the Circular.

On 7 November 2018, the AIC Registration has completed and Shenzhen Londian shall pay the remaining balance of the Consideration pursuant to the terms of the Equity Transfer Agreement. The Company was informed that for the purpose of financing for the Consideration, Shenzhen Londian has obtained loan support from a domestic bank in China. The bank has released the loan to Shenzhen Londian on 1 January 2019 and it is expected that Shenzhen Londian will pay the Remaining Consideration to the Company on 2 January 2019 morning.

As at the date of this announcement, Shenzhen Londian has paid a total of RMB1,528,000,000 to the Company pursuant to the Equity Transfer Agreement, and the remaining portion of the balance of the Consideration yet to be paid by Shenzhen Londian is RMB1,030,196,780 (the "**Remaining Consideration**").

SUPPLEMENTAL AGREEMENT

Based on the actual operating requirements of the Company, the Company, Shenzhen Londian and Lingbao Wason entered into a supplemental agreement (the “**Supplemental Agreement**”) on 31 December 2018 (after trading hours), pursuant to which, the parties have agreed the following main terms:

- (a) the payment date of the Remaining Consideration payable by Shenzhen Londian shall be extended to 3 January 2019;
- (b) the Company shall transfer its management and control rights in Lingbao Wason to Shenzhen Londian on 31 December 2018;
- (c) the Company shall enjoy and bear the profits and losses (including all previous undistributed revenue and capital accumulation fund) of Lingbao Wason incurred prior to 31 December 2018 (inclusive) whilst Shenzhen Londian shall enjoy and bear all such profits and losses incurred by Lingbao Wason thereafter;
- (d) all receivables and payables and any guarantees between the Company and Lingbao Wason should be determined prior to the signing of the Supplemental Agreement and Lingbao Wason shall settle all outstanding balances owing to the Company by 31 January 2019. In the event that Lingbao Wason fails to settle such outstanding amount, the Company shall be entitled to interest, which shall be based on the lending interest rate published by the banks for loans of the same term. Any delay by Lingbao Wason in settling the outstanding balances and interests (if incurred) must not exceed after 31 March 2019;
- (e) the Company shall cease to advance any funds or provide guarantee or loan to Lingbao Wason from 31 December 2018 onwards; and
- (f) due to various reasons including those due to the banks, the Company and Lingbao Wason were unable to release all guarantees related to the relevant bank loans prior to 31 December 2018. If it is confirmed that due to objective reasons, such guarantee(s) failed to be released or converted, the Company or Lingbao Wason (as the case may be) shall pay the relevant amount of guarantee fee to the other party. In addition, if either the Company or Lingbao Wason fails to repay their respective loans on time and the other party incurs loss as a result, such defaulting party shall compensate the other party for such loss.

Save as disclosed above, all material terms of the Equity Transfer Agreement remain unchanged. The Board considers that the terms of the Supplemental Agreement are within normal commercial terms, and are fair and reasonable and in line with the interests of the Company and its Shareholders as a whole.

CONTINUING CONNECTED TRANSACTIONS UNDER RULE 14A.60(1) OF THE LISTING RULES

As at 31 December 2018 and after completion of the transfer of management and control rights in Lingbao Wason by the Company to Shenzhen Londian (the “**Share Transfer**”

Completion"), Lingbao Wason became a connected person of the Company. Before Lingbao Wason became a connected person of the Company, the Company provided several guarantees to Lingbao Wason's loans (the "**Guarantee Arrangements**"). Due to internal reasons of the relevant banks, the Company cannot early-terminate the Guarantee Arrangements and therefore, the Guarantee Arrangements shall continue after the Share Transfer Completion. Accordingly, the Guarantee Arrangements provided by the Company to Lingbao Wason after Lingbao Wason became a connected person of the Company constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.60 of the Listing Rules, the Company is subject to the applicable reporting and disclosure requirements under Chapter 14A of the Listing Rules in relation to the Guarantee Arrangements. Where there is an extension of the term of or amendment of the terms of guarantees under the Guarantee Arrangements, the Company shall fully comply with all applicable reporting, disclosure and, if applicable, independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Details of the Guarantee Arrangements provided by the Company to Lingbao Wason are set out in the table below:

Unit: RMB ten thousand

Lending institution	Loan date	Maturity date	Duration	Closing balance	Guarantee
Bank of China (Hong Kong) Limited	30 March 2018	30 March 2019	1 year	8,000.00	
HengFeng Bank Co., Ltd.	14 December 2018	14 April 2019	4 months	4,500.00	
China Guangfa Bank Co., Ltd.	7 June 2018	7 June 2019	12 months	10,000.00	5,000.00
China Guangfa Bank Co., Ltd.	8 June 2018	8 June 2019	12 months	10,000.00	5,000.00
Jiaozuo Bank of China Travel Service Co., Ltd.	14 June 2018	14 June 2019	12 months	10,000.00	5,000.00
Jiaozuo Bank of China Travel Service Co., Ltd.	15 June 2018	15 June 2019	12 months	10,000.00	5,000.00
Jiaozuo Bank of China Travel Service Co., Ltd.	19 June 2018	19 June 2019	12 months	10,000.00	5,000.00
China Construction Bank Corporation	25 July 2018	25 July 2019	1 year	4,500.00	
China Zheshang Bank Co., Ltd.	10 August 2018	10 August 2019	12 months	10,000.00	2,000.00
Pingdingshan Bank Co., Ltd.	15 August 2018	15 August 2019	12 months	8,000.00	4,000.00
Pingdingshan Bank Co., Ltd.	16 August 2018	16 August 2019	12 months	2,000.00	1,000.00
Bank of China (Hong Kong) Limited	19 September 2018	19 March 2019	6 months	3,000.00	3,000.00
Bank of China (Hong Kong) Limited	30 September 2018	30 March 2019	6 months	4,000.00	4,000.00
Bank of China (Hong Kong) Limited	12 October 2018	12 April 2019	6 months	<u>4,000.00</u>	<u>4,000.00</u>
Total:				<u>98,000.00</u>	<u>43,000.00</u>

The Directors (including the independent non-executive Directors) are of the view that, the Guarantee Arrangements were entered into on normal commercial terms in the ordinary course of business of the Company, fair and reasonable and in line with the interests of the Shareholders as a whole.

LISTING RULES IMPLICATIONS

D&R is the single largest shareholder of the Company which owns approximately 32.69% of the total issued domestic share capital and 21.45% of the total issued share capital of the Company (including domestic Shares and H Shares of the Company) respectively as at the date of this announcement. Shenzhen Londian is indirectly controlled by D&R. Therefore, Shenzhen Londian is a connected person of the Company under Chapter 14 of the Listing Rules. After the Share Transfer Completion, Lingbao Wason became a subsidiary of Shenzhen Londian and a connected person of the Company. The provision of the Guarantee Arrangements by the Company to Lingbao Wason constitutes provision of financial assistance by the Company under Chapter 14A of the Listing Rules.

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

Henan, the PRC, 2 January 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.