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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Lingbao Gold Company Ltd. (the “Company”), you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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LINGJIN

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Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

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

(Stock code: 3330)

**(1) MAJOR TRANSACTION INVOLVING
SALE AND LEASEBACK ARRANGEMENT
AND
(2) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the board of directors of the Company is set out on pages 4 to 12 of this Circular.

A notice convening the extraordinary general meeting (“EGM”) of the Company to be held at the office of the Company at Hangu Road and Jingshan Road Intersection, Lingbao, Henan, the PRC on Tuesday, 2 February 2016 at 9:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

A reply slip and a form of proxy are also enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or any adjournment thereof. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM if you so wish.

This circular will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and the website at <http://www.irasia.com/listco/hk/lingbao>.

18 December 2015

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context indicates otherwise:

“Announcement”	the announcement of the Company dated 17 September 2015 relating to, the Sale and Leaseback Arrangement and the transactions contemplated thereunder;
“Benchmark Interest Rate”	the 7 years benchmark interest rate to be charged for the same level of loans in RMB as announced by the PBOC;
“Board”	the board of Directors;
“Company”	Lingbao Gold Company Ltd, a company incorporated in the PRC, the shares of which are listed on the Stock Exchange;
“Ding Tai”	鼎泰融資租賃有限公司 (Ding Tai Financial Leasing Co., Ltd.#), a company established in the PRC with limited liability and is an Independent Third Party;
“Director(s)”	directors of the Company;
“Finance Lease Agreement”	the finance lease agreement entered into between Lingbao Wason and Ding Tai on 16 September 2015;
“Finance Lease Arrangement”	the finance lease arrangement entered into between the Company, Lingbao Wason and Ding Tai on 16 September 2015 which comprises the Finance Lease Agreement, the Sale and Purchase Agreement and the Guarantee Agreement;
“Group”	the Company and its subsidiaries;
“Guarantee Agreement”	the guarantee agreement entered into between the Company and Ding Tai on 16 September 2015;
“Hong Kong”	the Hong Kong Special Administration Region of the PRC;
“Independent Third Party(ies)”	individual(s) or company(ies) which is/are independent of and not connected with (within the meaning of the Listing Rules) any member of the Group, the Directors, chief executive and substantial shareholders of the Company and its subsidiaries;

DEFINITIONS

“Judicial Interpretation”	The 《最高人民法院關於適用〈中華人民共和國擔保法〉若干問題的解釋》 (##the “Judicial Interpretation on certain issues of the Guarantee Law”) issued by the Supreme People’s Court in the PRC in August 2000;
“Latest Practicable Date”	Tuesday, 15 December 2015 being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular;
“Lingbao Wason”	靈寶華鑫銅箔有限責任公司 (Lingbao Wason Copper-Foil Co., 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, as amended, supplemented or otherwise modified from time to time;
“Machinery and Equipment”	certain machinery and equipment owned by Lingbao Wason which Lingbao Wason uses in its daily operation and includes lithium copper plating equipment, crude foil engine, electrolytic copper foil surface treatment, copper-foil conducting electricity, sulfuric acid diatomite purifier, cathode roll, PVC process tube, water treatment equipment, dissolved copper pot device, rectifier, stainless steel process tube, electrical transformer, sewage tank and any other equipment with a total net book value of approximately RMB446 million;
“PBOC”	the People’s Bank of China;
“PRC”	the People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Premium”	the additional interest rate to be charged by Ding Tai for the Financial Lease Agreement;
“RMB”	Renminbi, the lawful currency of the PRC;
“Sale and Purchase Agreement”	the sale and purchase agreement entered into between Lingbao Wason and Ding Tai on 16 September 2015;

DEFINITIONS

“SFO” the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time;

“Shareholders” Shareholders of the Company;

“Stock Exchange” The Stock Exchange of Hong Kong Limited.

For identification purpose only. The Chinese names of the respective individuals and entities have been translated into English in this circular. In the event of any discrepancies between the Chinese names and the corresponding English translation, the Chinese names shall prevail.

It is a translation of Article 32 of the Judicial Interpretation for reference only. In the event of any discrepancies between the Chinese language and the corresponding English translation, the Chinese version shall prevail.

LETTER FROM THE BOARD



LINGJIN

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Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

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

(Stock code: 3330)

Executive Directors:

Mr. Jin Guangcai
Mr. Qiang Shanfeng
Mr. Ji Wanxin
Mr. Xing Jiangze
Mr. Zhang Guo
Mr. Zhou Yudao

Non-executive Director:

Mr. Shi Yuchen

Independent Non-executive Directors:

Mr. Yang Dongsheng
Mr. Xu Qiangsheng
Mr. Han Qinchun
Mr. Wang Jiheng

Registered office:

Hangu Road and
Jingshan Road Intersection
Lingbao
Henan
The PRC

*Principal place of business
in Hong Kong:*

Room 1902, 19th Floor,
MassMutual Tower
38 Gloucester Road
Wanchai Hong Kong

18 December 2015

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
SALE AND LEASEBACK ARRANGEMENT**

INTRODUCTION

Reference is made to the Announcement of the Company in relation to the Sale and Leaseback Arrangement and the transactions contemplated thereunder.

As disclosed in the Announcement, on 17 September 2015 (before trading hours), the Company, Lingbao Wason and Ding Tai entered into the Sale and Leaseback Arrangement which comprises (i) a Finance Lease Agreement, (ii) a Sale and Purchase Agreement and (iii) a Guarantee Agreement.

LETTER FROM THE BOARD

- (i) The Sale and Purchase Agreement was entered into between Lingbao Wason and Ding Tai to transfer the ownership of the Machinery and Equipment for a consideration of RMB400 million which is determined after arm's length negotiations between Lingbao Wason and Ding Tai with reference to (a) the terms set out in the Finance Lease Agreement and (b) the general practice of finance leasing industry in the PRC, such as the interest rate offered by other finance leasing companies.
- (ii) The Finance Lease Agreement was entered into between Lingbao Wason and Ding Tai, pursuant to which Lingbao Wason will lease back the Machinery and Equipment for a lease payment that is adjustable in accordance with the prevailing Relevant Benchmark Interest Rate. The lease payment is used to repay the principal of the RMB400 million and the interest incurred thereon. The duration of the lease is 7 years.
- (iii) The Company entered into a Guarantee Agreement with Ding Tai, pursuant to which the Company agrees (a) to provide a guarantee to Ding Tai and (b) to charge all the shares the Company owns (i.e., 100%) in Lingbao Wason in favour of Ding Tai or any third party that is designated by Ding Tai for the performance of Lingbao Wason in respect of the Finance Lease Agreement.

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

The purpose of this circular is to provide you with further information regarding, among other things, (a) the Sale and Leaseback Arrangement and (b) the notice of EGM.

SALE AND LEASEBACK ARRANGEMENT

The principal terms of the Sale and Purchase Agreement, the Finance Lease Agreement, and the Guarantee Agreement are set out below.

(I) SALE AND PURCHASE AGREEMENT

Date:

16 September 2015

Parties

Purchaser: Ding Tai

Vendor: Lingbao Wason

Pursuant to the Sale and Purchase Agreement, Lingbao Wason agrees to sell and Ding Tai agrees to purchase the Machinery and Equipment from Lingbao Wason

LETTER FROM THE BOARD

for a consideration of RMB400 million which shall be paid in full by Ding Tai to Lingbao Wason in cash within three (3) days upon satisfaction of all the necessary conditions (e.g., evidence of ownership, title of the Machinery and Equipment, signing of the Finance Lease Agreement and the Guarantee Agreement etc).

The consideration of RMB400 million is determined after arm's length negotiations between Lingbao Wason and Ding Tai with reference to (a) the terms set out in the Finance Lease Agreement and (b) the general practice of finance leasing industry in the PRC, such as the interest rate offered by other finance leasing companies.

Conditions Precedent

The obligations of the parties to the Sale and Purchase Agreement shall be conditional upon:

- (a) the passing of the necessary resolution(s) by the Shareholders at the EGM to approve the entering into the Sale and Leaseback Arrangement by the Company and the transactions contemplated thereunder; and
- (b) upon receipt of all necessary approvals required under the laws, rules and regulations in Hong Kong and/or elsewhere, including but not limited to the requirements under the Listing Rules and/or the approvals from the relevant governmental authorities required for the Sale and Leaseback Arrangement and the transaction contemplated thereunder.

(II) FINANCE LEASE AGREEMENT

Date

16 September 2015

Parties

Lessor: Ding Tai

Lessee: Lingbao Wason

Objective

The purpose of the Finance Lease Agreement is to provide financial resources to the Group.

Subject matter

The subject matter of the Finance Lease Agreement is the Machinery and Equipment.

LETTER FROM THE BOARD

Sale and Purchase Agreement

Under the Finance Lease Agreement, Lingbao Wason and Ding Tai are required to enter into the Sale and Purchase Agreement whereby Lingbao Wason agrees to sell and Ding Tai agrees to purchase the Machinery and Equipment.

Leaseback Arrangement

Under the Finance Lease Agreement, the Machinery and Equipment is then leased back to Lingbao Wason for a period of 7 years. The details of the lease payments is set out below under the paragraph headed "Consideration – Principal and Lease Payments".

Use of the Machinery and Equipment

During the term of the lease, Lingbao Wason has the right to use the Machinery and Equipment. However, Lingbao Wason cannot, without the written consent of Ding Tai, do any of the following:

- (1) to transfer it or to part it as an investment to any third parties or to do anything that will damage the Machinery and Equipment;
- (2) to treat the Machinery and Equipment as part of its own assets which will incur any civil liability or to include it in Lingbao Wason's estate when Lingbao Wason becomes insolvent;
- (3) to use it for any illegal purposes; and
- (4) to alter the appearance, the quality and the function of the Machinery and Equipment.

Responsibility of the Lingbao Wason in respect of the Machinery and Equipment

Lingbao Wason is solely responsible for the maintenance of the Machinery and Equipment. During the term of the lease, where the Machinery and Equipment is damaged or requires servicing, Lingbao Wason shall take immediate action and repair it within a reasonable time.

Any cost that is incurred in relation to the maintenance of the Machinery and Equipment shall be solely borne by Lingbao Wason.

Return of the Machinery and Equipment

Upon expiry of the Finance Lease Agreement, if all the lease payments and the outstanding interest (if any) payable under the Finance Lease Agreement are settled by Lingbao Wason, the ownership of the Machinery and Equipment shall be vested in Lingbao Wason automatically.

LETTER FROM THE BOARD

Conditions Precedent

The conditions precedent above under the Sale and Purchase Agreement is also applicable to the Finance Lease Agreement.

Consideration – Principal and Lease Payments

Principal

Pursuant to the Finance Lease Agreement, the principal amount for the Machinery and Equipment shall be RMB400 million which is determined after arm's length negotiations between Lingbao Wason and Ding Tai with reference to (a) the terms set out in the Finance Lease Agreement and (b) the general practice of the finance leasing industry in the PRC, such as the interest rate offered by other finance leasing companies in the PRC.

Lease payments

After the transfer of the ownership of the Machinery and Equipment pursuant to the Sale and Purchase Agreement, the Machinery and Equipment is leased back to Lingbao Wason. Lingbao Wason will repay the principal amount together with interest by making a lease payment to Ding Tai every six months for a period of 7 years.

The interest is determined by a floating interest rate per annum. Specifically, the interest rate of the Finance Lease Agreement is calculated by multiplying the prevailing Benchmark Interest Rate by the Premium which is 1.05. The interest rate of the Finance Lease Agreement is fixed for the first year but, thereafter, it will be reviewed at the end of each quarter with reference to the prevailing Benchmark Interest Rate.

At the date of this Circular, the prevailing Benchmark Interest Rate is 5.15%. Assuming it remains the same on the actual drawdown date, the interest rate of the Finance Lease Agreement for the first year will be $5.15\% \times 1.05 = 5.4075\%$. If the prevailing Benchmark Interest Rate varies, the interest rate of the Finance Lease Agreement will be adjusted accordingly.

The lease payments, the interest rate of the Finance Lease Agreement and the Premium were determined after arm's length negotiations between the parties to the Finance Lease Agreement by reference to the amount of the principal, the capital cost, the lessee's repayment ability and the general practice of the finance leasing industry in the PRC, such as the interest rate offered by other finance leasing companies in the PRC. The Directors consider that the interest rate of the Finance Lease Agreement and the Premium are fair and reasonable because the Premium (and so the interest rate of the Finance Lease Agreement) is the lowest among other finance leasing companies in the PRC that were reviewed and considered by the Directors.

LETTER FROM THE BOARD

(III) GUARANTEE AGREEMENT

Date

16 September 2015

Parties

Obligee: Ding Tai

Guarantor: the Company

The Company entered into the Guarantee Agreement with Ding Tai to provide a guarantee for the performance of Lingbao Wason in respect of the Finance Lease Agreement. In addition, the Company will enter into a share charge whereby the Company will charge all the shares the Company owns (i.e., 100%) in Lingbao Wason in favour of Ding Tai or any third party that is designated by Ding Tai. While the shares are being charged, the Company remains entitled to receive any dividends declared by Lingbao Wason.

Scope of the Guarantee

The scope of the guarantee includes the principal amount of the Machinery and Equipment (ie., RMB400 million), the interest, service charge, interest for delay in payment, damages and any reasonable cost that Ding Tai incurs for enforcing the Finance Lease Agreement. Under the Guarantee Agreement, where Lingbao Wason fails to perform any of its obligation under the Finance Lease Agreement, Ding Tai can enforce the guarantee directly against the Company.

Duration

The length of the Guarantee Agreement is two years after expiry of the Finance Lease Agreement in accordance with Article 32 of the Judicial Interpretation which stipulates:

"It will be considered as an unclear provision if the guarantee contract stipulates that the guarantor shall bear liability until the principal amount and interest for the principal debt have been paid. The guarantee term shall be two years from the expiration of the term for performance of the principal obligation."

The Directors consider that since the length of the Guarantee Agreement is set in accordance with the Judicial Interpretation, it is fair and reasonable.

Conditions Precedent

The conditions precedent above under the Sale and Purchase Agreement is also applicable to the Guarantee Agreement.

LETTER FROM THE BOARD

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.

INFORMATION ON DING TAI

Ding Tai is a company incorporated in the PRC and is a company principally engaged in the business of finance leasing.

REASONS FOR AND BENEFITS OF THE SALE AND LEASEBACK ARRANGEMENT

The Directors are of the view that the entering into the Sale and Leaseback Arrangement will benefit the Group. The Sale and Leaseback Arrangement will provide the Group with additional 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 Sale and Leaseback Arrangement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

FINANCIAL IMPACT OF THE SALE AND LEASEBACK ARRANGEMENT AND INTENDED USE OF PROCEEDS

Upon completion of the transactions contemplated under the Sale and Leaseback Arrangement, it is expected that (i) the total assets of the Group will increase to reflect the cash to be received from the sale proceeds of the Machinery and Equipment and there will be no financial impact on the fixed assets of the Group, and (ii) the total liabilities of the Group will increase to reflect the lease liability of the Group under the Sale and Leaseback Arrangement. The lease payment and other relevant costs will be charged to the income statement of the Group over the lease period. However, as the Company intends to use the proceeds from the Sale and Leaseback Arrangement to repay the short term bank loans, when the Company does so, the total assets and the total liabilities of the Group will be reduced accordingly. Therefore, it will not have any material impact on the assets and liabilities of the Group.

As the Company is in possession of the Machinery and Equipment and can continue to use it in its daily operation, it is expected that it will not have any material impact on the earnings of the Group.

Save as described above, the Directors believe that there will not be any material impact on the earnings and assets and liabilities of the Group as a result of the Sale and Leaseback Arrangement.

The Directors consider that the consideration received from the Sale and Leaseback Arrangement will improve the current ratio of the Group. Specifically, the Directors intend to use the funds received for repayment of existing short-term bank loan of the Company.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Sale and Leaseback Arrangement is more than 25% but less than 75%, the Sale and Leaseback Arrangement constitutes a major transaction of the Company and is therefore subject to the notification, announcement, circular and shareholders' approval at general meeting requirements under Chapter 14 of the Listing Rules.

EGM

A notice of the EGM to be held at the office of the Company at Hangu Road and Jingshan Road Intersection, Lingbao, Henan, the PRC on Tuesday, 2 February 2016 at 9:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular, for the Shareholders to consider and, if thought fit, to approve the Sale and Leaseback Arrangement and the transactions contemplated thereunder.

A reply slip and a form of proxy are also enclosed. Whether or not you are able to attend the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon. In order to be valid, the proxy form must be deposited by hand or by post, for holders of H shares of the Company, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or any adjournment thereof. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the EGM if you so wish.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Leaseback Arrangement and the transactions contemplated thereunder. Therefore, no Shareholder is required to abstain from voting in relation to the resolution(s) to be proposed for approving the Sale and Leaseback Arrangement and the transactions contemplated respectively thereunder at the EGM.

RECOMMENDATION

The Directors are of the opinion that the Sale and Leaseback Arrangement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the resolution to be proposed in the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By order of the Board
Lingbao Gold Company Ltd.
Jin Guangcai
Chairman

1. FINANCIAL INFORMATION

Details of the financial information of the Group for each of the three years ended 31 December 2012, 2013 and 2014, including the notes thereto, are disclosed in the annual reports of the Company for the financial years ended 31 December 2012 (pages 46 to 136), 31 December 2013 (pages 44 to 134) and 31 December 2014 (pages 48 to 144), respectively, and are incorporated by reference into this circular.

Details of the unaudited financial information of the Group for the six months ended 30 June 2015 are disclosed in the interim report of the Company for the same period (pages 16 to 40).

All annual reports and interim reports of the Company are published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the website of <http://www.irasia.com/listco/hk/lingbao>.

2. INDEBTEDNESS OF THE GROUP

As at the close of business on 31 October 2015, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following liabilities:

Borrowings

The Group had outstanding secured bank loan of approximately RMB240 million and outstanding unsecured bank loan of approximately RMB4,190 million.

Charges

The mining right of Istanbul Gold Mine and the ordinary shares of Full Gold Mining Limited Liability Company were pledged to secure banking facilities of approximately RMB240 million.

Debt Securities issued and outstanding

None of the companies in the Group had any issued and/or outstanding debt securities.

Contingent Liabilities or Guarantee

None of the companies in the Group had material contingent liabilities.

Disclaimer

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have any outstanding bank overdrafts, loans, debt securities, borrowings or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease, hire purchases commitments, which were either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities at the close of business on the 31 October 2015 (being the latest practicable date for the purpose of this indebtedness statement).

To the best knowledge of the Directors, having made all reasonable enquiries, there has been no material change in indebtedness or contingent liabilities of the Group since 31 December 2014 and up the Latest Practicable Date.

3. FINANCIAL AND TRADING PROSPECT OF THE GROUP

In the second half of the financial year 2015, the Group is facing a challenging and complicated economic situation where the price of gold continues to volatile and trends lower over time. The Group will focus on maintaining stable operation and effective development through production, operation and resources expansion. The Group will strengthen its technology and management. Specifically, it will minimize the dilution rate and loss rate, enhance the grade of ores, and improve the equipment operation rate and gold recovery rate.

In relation to Lingbao Wason, it will strive to become the largest lithium-foil manufacturer in China. Lingbao Wason will continue to explore new customers with good quality and credit records as to increase the overall revenue of the Group.

The entering into of the Finance Lease Agreement will provide the Group with additional working capital to repay the Company's existing short term bank loans and to maintain better cash flow.

4. WORKING CAPITAL STATEMENT

The Directors are of the opinion that in the absence of unforeseen circumstances and taking into account the effect of the entering into of the Sale and Leaseback Arrangement, the available credit facilities, the Group's internally generated funds and the Group's existing bank and cash balances, the Group has sufficient working capital to satisfy its requirements for at least 12 months from the date of this circular.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up, and including the Latest Practicable Date, except:-

- (i) as disclosed in the profit warning announcement of the Company dated 16 October 2015, due to the decrease in the gold price, the Group recorded a loss for the nine months ended 30 September 2015 as compared with a profit for the nine months ended 30 September 2014;
- (ii) the gold price in 2015 has been in general on a downward trend, and because of the decrease in the gold price, a substantial impairment on property, plant, equipment and deferred tax assets is expected to be provided for the year ending 31 December 2015 based on an initial impairment assessment test performed for the long term assets of the Group.

1. RESPONSIBILITY STATEMENT

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 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.

2. DISCLOSURE OF INTERESTS

Director's and chief executive's interests in the Company

The Directors and chief executive of the Company do not hold any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as defined in the SFO as at the Latest Practicable Date that are required to be recorded in the register required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (ii) kept under section 352 of the SFO; or (iii) required to be notified to the Company and the Hong Kong Stock Exchange under the Model Code for Securities Transactions by Directors of listed issuers as set out in Appendix 10 of the Listing Rule.

None of the Directors is a director or employee of a company which has, or is deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Substantial Shareholders of the Company

So far as is known to any Director or chief executive of the Company, as at the Latest Practicable Date, the following persons (not being Directors or chief executive of the Company) had, or were deemed to have, interests or short positions in the shares, debentures or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were or were expected, 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 the Company were as follows:

Name of Shareholders	Nature of interest/capacity	Number of Domestic Shares	Approximate percentage of the total issued domestic share capital	Approximate percentage of the total issued share capital
Lingbao State-owned Assets Operation Limited Liability Company (靈寶市國有資產經營有限責任公司) (“ Lingbao State-owned Assets ”) (Note 1)	Beneficial owner	296,840,620	62.76%	38.54%
Huibang Investment Development Company Limited	Beneficial owner	57,000,000	12.05%	7.4%
Shannan Wanlaixin Investment Limited Liability Company (山南萬來鑫投資有限責任公司)	Beneficial owner	37,698,784	7.97%	4.89%

Note:

- In addition to its direct interest in 296,840,620 domestic shares, Lingbao State-owned Assets has an indirect interest in the Company through its equity interest of approximately 49.41% in Lingbao Gold Machinery Limited Liability Company (靈寶市黃金機械有限責任公司), which in turn holds approximately 21.05% equity interest in Lingbao Jinxiang Auto Parts Limited Liability Company (靈寶市金象汽車零部件有限責任公司) (“**Lingbao Jinxiang Motors**”). Lingbao Jinxiang Motors is a promoter of the Company, which held approximately 1.79% equity interest in the Company as at the date of this report.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company were not aware of any other person(s) (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares, debentures or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO, or who was 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 members of the Company or had any options in respect of such Shares.

3. DIRECTORS' INTEREST IN ASSETS AND/OR ARRANGEMENT

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director or proposed Director was materially interested and which was significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2014 (being the date to which the latest published audited financial statements of the Group were made up), (i) acquired or disposed of by; or (ii) leased to; or (iii) proposed to be acquired or disposed of by; or (iv) proposed to be leased to, any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

5. MATERIAL CONTRACTS

Set out below are summary of the principal contents of the material contracts (not being contracts entered into in the ordinary course of business) entered into by any members of the Group within the two years immediately preceding the Latest Practicable Date:

- (i) The sale and purchase agreement dated 5 December 2014 entered into between the Company and China Sciences Lianrong Investment and Development (Beijing) Co., Ltd., an independent third party, the Group disposed of its 80% equity interests in Puyue Beijing Mining (Lao) Co., Limited, at a consideration of RMB37,257,000;
- (ii) the Sale and Purchase Agreement;
- (iii) the Finance Lease Agreement; and
- (iv) the Guarantee Agreement.

6. LITIGATIONS

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against any member of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or any of their respective associates had any interest in business which competes with or may compete, either directly or indirectly, with the business of the Group or had any other conflict of interests which any person has or may have with the Group.

8. GENERAL

- (a) The company secretary of the Company is Mr. Poon, Lawrence Chi Leung who is certified practising accountant of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.
- (b) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited Shops at 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The registered office of the Company is situated at Hangu Road and Jingshan Road Intersection, Lingbao, Henan Province, the PRC.
- (d) The registered office of the Company in Hong Kong is situated at Room 1902, 19th Floor, MassMutual Tower, 38 Gloucester Road, Wanchai, Hong Kong.
- (e) The English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at Hangu Road and Jingshan Road Intersection, Lingbao, Henan, the PRC during normal business hours on any week day (except public holidays) for the period of 14 days from the date of this circular:

- (a) the memorandum of association and bye-laws of the Company;
- (b) the annual reports of the Company for the three years ended 31 December 2012, 31 December 2013 and 31 December 2014;
- (c) the interim report of the Company for the six months ended 30 June 2015;
- (d) the Sale and Purchase Agreement;
- (e) the Finance Lease Agreement;
- (f) the Guarantee Agreement;
- (g) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



LINGJIN

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Lingbao Gold Company Ltd.

靈寶黃金股份有限公司

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

(Stock code: 3330)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Lingbao Gold Company Ltd. (the “**Company**”) will be held at the office of the Company at Hangu Road and Jingshan Road Intersection, Lingbao, Henan, the PRC on Tuesday, 2 February 2016 at 9:00 a.m., for the purpose of considering and, if thought fit, passing, with or without modifying, the following resolution which will be proposed as special resolution of the Company:

SPECIAL RESOLUTION

“THAT

- (a) the sale and purchase agreement dated 16 September 2015 (the “**Sale and Purchase Agreement**”) and entered into between 靈寶華鑫銅箔有限責任公司 (transliterated as Lingbao Wason Copper-Foil Company Ltd) (“**Lingbao Wason**”) and 鼎泰融資租賃有限公司 (transliterated as Ding Tai Financial Leasing Co., Ltd) (“**Ding Tai**”), pursuant to which the Lingbao Wason shall sell and the Ding Tai shall buy various machinery and equipment, which are owned by Lingbao Wason as at the Latest Practicable Date (as defined in the circular of the Company dated 18 December 2015) (the “**Machinery and Equipment**”) at the consideration of RMB400 million (a copy of the Sale and Purchase Agreement having been produced to the EGM and marked “A” and initialed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the finance lease agreement dated 16 September 2015 (the “**Finance Lease Agreement**”) and entered into between Lingbao Wason and Ding Tai, pursuant to which Ding Tai shall lease back the Machinery and Equipment to Lingbao Wason for a lease payment, which is used to repay the principal of RMB400 million and the interest incurred thereon and is to be paid every six months for a term of seven (7) years subject to and upon the terms and conditions therein (a copy of the Finance Lease Agreement having been produced to the EGM and marked “B” and initialed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the guarantee agreement dated 16 September 2015 (the “**Guarantee Agreement**”) and entered into between the Company and Ding Tai, pursuant to which (i) the Company provides a guarantee to Ding Tai for the performance of Lingbao Wason in relation to the Finance Lease Agreement and, (ii) the Company will charge all the shares the Company owns (i.e., 100%) in Lingbao Wason in favour of Ding Tai or any third party that is designated by Ding Tai subject to and upon the terms and conditions therein (a copy of the Guarantee Agreement having been produced to the EGM and marked “C” and initialed by the chairman of the EGM for the purpose of identification) and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (d) any one or more of the directors (the “**Directors**”) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents which he/they consider necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the Sale and Purchase Agreement, the Finance Lease Agreement, the Guarantee Agreement and the transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the Sale and Purchase Agreement, the Finance Lease Agreement and the Guarantee Agreement) as are, in the opinion of the Directors or the duly authorised committee, in the interest of the Company and its shareholders as a whole.”

Yours faithfully
By order of the Board
Lingbao Gold Company Ltd.
Jin Guangcai
Chairman

Henan, the PRC
18 December 2015

Registered office:
Hangu Road and
Jingshan Road Intersection
Lingbao
Henan
The PRC

*Principal place of business in
Hong Kong*
Room 1902, 19th Floor,
MassMutual Tower
38 Gloucester Road
Wanchai
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. The register of members of the Company will be closed from Tuesday, 5 January 2016 to Tuesday, 2 February 2016 (both days inclusive), during which period no transfer of shares can be registered. In order to qualify for attending the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's H shares registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) or the registered office address of the Company (for holders of domestic shares), no later than 4:30 p.m. on Monday, 4 January 2016.
2. Holders of domestic shares and H shares whose names appear on the H share register of members of the Company at the close of business on Tuesday, 5 January 2016 are entitled to attend and vote at the EGM and may appoint one or more proxies to attend and, in the event of a poll, vote on their behalves. A proxy need not be a member of the Company.
3. In order to be valid, the proxy form must be deposited by hand or post, for holders of H shares of the Company, to the H shares registrar of the Company, Computershare Hong Kong Investor Services Limited, Rooms 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong and, for holders of domestic shares of the Company, to the registered address of the Company not less than 24 hours before the time for holding the meeting or not less than 24 hours before the time appointed for taking the poll. If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form.
4. Shareholders or their proxies shall produce their identity documents when attending the meeting.
5. Shareholder who intends to attend the EGM should complete and return the reply slip and return it by hand or by post to the share registrar of the Company (for holders of H shares) or to the registered office address of the Company (for holders of domestic shares) on or before Thursday, 14 January 2016.
6. The registered office address of the Company is as follows:

Hangu Road and Jingshan Road Intersection
Lingbao
Henan
The People's Republic of China
Tel: +86 398 8862218
Fax: +86 398 8860166
7. The EGM is expected to be held for less than half a day. Shareholders who attend the meeting shall bear their own travelling and accommodation expenses.
8. The Board confirms that there is no other matter which should be brought to the attention of the shareholders.
9. As at the date of this announcement, the Board comprises six executive Directors, namely Mr. Jin Guangcai, Mr. Qiang Shanfeng, Mr. Ji Wanxin, Mr. Xing Jiangze, Mr. Zhang Guo, and Mr. Zhou Yudao; one non-executive Director, namely Mr. Shi Yuchen; and four independent non-executive Directors, namely, Mr. Yang Dongsheng, Mr. Xu Qiangsheng, Mr. Han Qinchun and Mr. Wang Jiheng.