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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 with limited liability)*

**(Stock code : 3330)**

### **CHANGE IN USE OF PROCEEDS FROM THE ISSUE OF H SHARE CONVERTIBLE BOND UNDER GENERAL MANDATE**

Reference is made to the announcement of Lingbao Gold Group Company Ltd. (the “**Company**”) dated 8 November 2017 in relation to, among other matters, the issue of H Share Convertible Bond under General Mandate (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcement.

As disclosed in the Announcement, the net proceeds from the issue of the H Share Convertible Bond, after the deduction of related expenses, are estimated to be approximately HK\$75,000,000 and the net proceeds from the issue of the H Shares Convertible Bond are intended to be used for general working capital of the Group and for future investment in the mining business in the PRC. The Company planned to allocate approximately HK\$65,000,000 for the general working capital of the Company and approximately HK\$10,000,000 for the technical transformation project of mineral processing plant of Habahe Huatai Gold Co., Ltd. (the “**Huatai Project**”).

Due to the design and technology changes in Huatai Project and it requires more time to complete the technical transformation as planned, the board of directors of the Company (“**Board**”) has decided to allocate the approximately HK\$10,000,000 for the general working capital of the Company. The use of proceeds of approximately HK\$65,000,000 remains unchanged.

The Board considers that the above change in the use of the proceeds will allow the Company to facilitate efficient use of the financial resources. In view of the above, the Board are of the view that the change is fair and reasonable and is in the interest of the Company and the Shareholders as a whole.

**As the Closing is subject to the satisfaction of a number of conditions precedent (including the approval from the China Securities Regulatory Commission) and the termination rights of the Parties, the subscription for the H Share Convertible Bond may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the H Shares.**

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

Henan, the PRC, 15 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.*