

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase, or subscribe for any securities of the Company.

*This announcement is not for distribution, directly or indirectly, in or into the United States. This announcement does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States. The Company's shares mentioned in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold in the United States except pursuant to registration or an exemption from the registration requirements of the Securities Act. No public offering of the Company's shares will be made in the United States.*



LINGJIN

灵 金

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)

PLACING OF NEW H SHARES UNDER GENERAL MANDATE

Placing Agent



國泰君安國際

GUOTAI JUNAN INTERNATIONAL

Guotai Junan Securities (Hong Kong) Limited

On 21 February 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as the Company's placing agent, to procure, on a best effort basis, no fewer than six Placees, who and whose ultimate beneficial owners (where applicable) will be Independent Third Parties, to subscribe for up to a maximum of 32,538,000 Placing Shares at the Placing Price of HK\$1.34 per Placing Share.

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the maximum number of 32,538,000 Placing Shares under the Placing represent approximately 5.27% of the number of existing issued H Shares and approximately 2.75% of the number of existing issued Shares as at the date of this announcement, and approximately 5.01% of the number of issued H Shares and approximately 2.67% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares.

The Placing Price of HK\$1.34 per Placing Share represents:

- (a) a discount of approximately 19.76% to the closing price of HK\$1.67 per H Share as quoted on the Stock Exchange on 21 February 2024, being the date of the Placing Agreement; and
- (b) a discount of approximately 16.87% to the average closing price of HK\$1.612 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

Assuming all the Placing Shares are fully placed and subject to the Completion, it is expected that the maximum gross proceeds and net proceeds (after deducting the Placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$43.6 million and HK\$42.0 million, respectively. On such basis, the net issue price will be approximately HK\$1.29 per Placing Share.

No Shareholders' approval is required for the Placing and the allotment and issue of the Placing Shares by the Company, as the Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 23 May 2023, under which the Directors may allot and issue up to 59,454,800 new H Shares (representing 20% of the issued H Shares as at the date of the passing of the resolution at the AGM).

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange.

As the Completion is subject to the satisfaction (or waiver) of a number of conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

The Board announces that on 21 February 2024 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as the Company's placing agent, to procure, on a best effort basis, no fewer than six Placees, who and whose ultimate beneficial owners (where applicable) will be Independent Third Parties, to subscribe for up to a maximum of 32,538,000 Placing Shares at the Placing Price of HK\$1.34 per Placing Share.

The principal terms of the Placing Agreement are set out below:

THE PLACING AGREEMENT

Date

21 February 2024 (after trading hours)

Parties to the Placing Agreement

- (1) The Company; and
- (2) Guotai Junan Securities (Hong Kong) Limited

Placing Agent

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Placing Agent and its ultimate beneficial owner(s) is an Independent Third Party.

Placees

The Placing Agent has conditionally agreed to procure, on a best effort basis, the subscription of the Placing Shares by no fewer than six Placees who will be institutional and/or professional investors at the Placing Price. Each of the Placees and their respective ultimate beneficial owner(s) (where applicable) shall be Independent Third Parties, and each of the Placees shall be independent from, not connected or associated with, and not acting in concert (as defined under the Takeovers Code) with one another or any of the Directors, chief executive, substantial Shareholders, or any of the connected persons of the Company and any of its subsidiaries and their respective associates.

It is expected that none of the Placees will become a substantial shareholder (as defined in the Listing Rules) of the Company immediately after the Completion.

Number of Placing Shares

Assuming that there will be no change in the number of issued Shares between the date of this announcement and the Completion Date, the maximum number of 32,538,000 Placing Shares under the Placing represents approximately 5.27% of the number of existing issued H Shares and approximately 2.75% of the number of existing issued Shares as at the date of this announcement, and approximately 5.01% of the number of issued H Shares and approximately 2.67% of the number of issued Shares as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares to be allotted and issued will be RMB6,507,600.

Placing Price

The Placing Price of HK\$1.34 per Placing Share represents:

- (a) a discount of approximately 19.76% to the closing price of HK\$1.67 per H Share as quoted on the Stock Exchange on 21 February 2024, being the date of the Placing Agreement; and
- (b) a discount of approximately 16.87% to the average closing price of HK\$1.612 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent and with reference to the market conditions and the prevailing market price of the H Shares. The Directors consider that the Placing Price is fair and reasonable and the Placing is in the interest of the Company and the Shareholders as a whole.

Conditions of the Placing

The Completion of the Placing is conditional upon the following conditions being fulfilled (or waived):

- (a) the Approval having been obtained and not having been subsequently revoked prior to the Completion;
- (b) the passing of the resolutions by the Board to approve the Placing, the Placing Agreement and the transactions contemplated thereunder;
- (c) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate and not misleading as of the date of the Placing Agreement and the Completion Date; and
- (d) all necessary authorisations, consent and approvals as may be obtained by the Company and the Placing Agent in respect of the Placing Agreement from relevant authorities (including but not limited to the Stock Exchange) having been obtained.

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange.

As at the date of this announcement, the Directors are not aware of any authorisations, consent or approvals as set out in condition (d) above, and only condition (b) above has been fulfilled.

If any of the above conditions is not fulfilled on or before 31 March 2024 (i.e. the long stop date contemplated under the Placing Agreement for the fulfillment of the above conditions for the Placing), or such later date as the parties to the Placing Agreement may agree in writing, the Placing Agreement shall be terminated, and all rights, obligations and liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine and they shall both be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party for costs, damages, compensation or otherwise arising under the Placing Agreement, save and except for any antecedent breaches of the Placing Agreement.

Completion

The Completion shall take place on the Completion Date subject to fulfillment (or waiver) of the conditions set out above.

Termination of the Placing Agreement

Notwithstanding anything contained in the Placing Agreement, the Placing Agent may, in its reasonable opinion, after consultation with the Company, terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time up to 8:00 a.m. on the Completion Date upon the occurrence of the following events:

- (1) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing on and/or after the date of the Placing Agreement) including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing in material respects; or
- (2) any introduction of new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group if in the Placing Agent's reasonable opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing in material respects, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or

- (3) any event, or series of events beyond the reasonable control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labor dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God), or the declaration of war or a state of emergency or calamity or crisis, which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing in material respects; or
- (4) any suspension of dealings in the H Shares during the period from the date of the Placing Agreement up to the Completion Date whatsoever (other than as a result of or in relation to the Placing) for 5 consecutive trading days or more; or
- (5) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's reasonable opinion would adversely affect the success of the Placing in material respects; or
- (6) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (7) any material breach of any of the Company's representations and warranties under the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or if there has been a breach by the Company of any other provision of the Placing Agreement in material respects.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement without any liability to the Placing Agent, by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or if there has been a breach by the Placing Agent of any other provision of the Placing Agreement in material respects.

Upon the giving of such written notice by the Placing Agent to the Company or vice versa pursuant to the Placing Agreement, all obligations and liabilities of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation and liabilities under the terms of the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

As the Completion is subject to the satisfaction (or waiver) of a number of conditions under the Placing Agreement and the Placing is on a best effort basis, the Placing may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

RANKING OF THE PLACING SHARES

The Placing Shares will rank, upon allotment and issue, *pari passu* in all respects with each other, among themselves and with the other H Shares in issue on the date of allotment and issue of the Placing Shares.

GENERAL MANDATE TO ALLOT AND ISSUE THE PLACING SHARES

No Shareholders' approval is required for the Placing and the allotment and issue of the Placing Shares by the Company, as the Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM held on 23 May 2023, under which the Directors may allot and issue up to 59,454,800 new H Shares (representing 20% of the issued H Shares as at the date of the passing of the resolution at the AGM).

As at the date of this announcement and immediately prior to the entering into of the Placing Agreement, the Company has not issued any H Shares under the General Mandate.

APPLICATION FOR LISTING OF THE PLACING SHARES

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares on the Stock Exchange.

The Placing is conditional upon, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the businesses of mining, processing, smelting and sales of gold and other metallic products in the PRC.

Assuming all the Placing Shares are fully placed and subject to the Completion, it is expected that the maximum gross proceeds and net proceeds (after deducting the Placing commission and other relevant costs and expenses of the Placing) from the Placing will be approximately HK\$43.6 million and HK\$42.0 million respectively. On such basis, the net issue price will be approximately HK\$1.29 per Placing Share.

The net proceeds from the Placing are intended to be used for procurement of gold concentrate for the production of gold bullion.

The Directors have considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors are of the view that the Placing would reduce the Group's overall bank borrowings and strengthen the financial position of the Group.

In view of the above, the Directors consider that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the Placing commission payable to the Placing Agent) are fair and reasonable and with reference to the prevailing market conditions. The Placing and the entry into of the Placing Agreement are in the interest of the Company and the Shareholders as a whole.

EFFECTS OF THE PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out a summary of the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon the Completion (assuming the maximum number of Placing Shares are placed and there is no change in the number of issued Shares from the date of this announcement up to the Completion Date):

Name of Shareholder	Class of Shares	(i) As at the date of this announcement		(ii) Immediately upon the Completion (assuming the maximum number of Placing Shares are placed and there is no change in the number of issued Shares from the date of this announcement up to the Completion Date)	
		No. of Shares	Approximate per cent.(%)	No. of Shares	Approximate per cent.(%)
Shenzhen Jiesi Weiye Holding Co., Ltd (深圳傑思偉業控股股份有限公司) (Note 1)	Domestic Shares	185,339,000	15.65	185,339,000	15.24
D&R Industrial Development (Hong Kong) Limited (Note 2)	H Shares	319,772,164	27.01	319,772,164	26.28
Lingbao State-owned Assets Operation Company Limited (靈寶市國有資產經營有限責任公司)	Domestic Shares	73,540,620	6.21	73,540,620	6.04
Sub-total of non-public Shareholders		578,651,784	48.87	578,651,784	47.56
Placees	H Shares	—	—	32,538,000	2.67
Other Domestic Shareholders	Domestic Shares	308,095,471	26.02	308,095,471	25.33
Other Public H Shareholders	H Shares	297,274,000	25.11	297,274,000	24.44
Sub-total of public Shareholders		605,369,471	51.13	637,907,471	52.44
Total number of issued Shares		1,184,021,255	100.00	1,216,559,255	100.00

Notes:

- (1) As at the date of this announcement, Shenzhen Jiesi Weiye Holding Co., Ltd (深圳傑思偉業控股股份有限公司) (“**Jiesi Weiye**”) is majority-owned as to approximately 65.68% and 4.91% by Mr. Wang Guanran, a non-executive Director, and two limited liability partnerships which Mr. Wang Guanran is a 99% limited partner, respectively.
- (2) As at the date of this announcement, D&R Industrial Development (Hong Kong) Limited is a wholly-owned subsidiary of D&R Asset Management Group Company Limited, which in turn is majority-owned as to approximately 56.28% by Jiesi Weiye.

EQUITY FUND RAISING ACTIVITY OF THE COMPANY DURING THE PAST TWELVE MONTHS

Date of announcements	Fund raising activity	Net proceeds raised (Approximately)	Intended use of the net proceeds	Actual use of the net proceeds
11 November 2021, 17 January 2022, 8 December 2022, 20 January 2023 and 18 August 2023	Issue and allotment of 319,772,164 new H Shares under specific mandate granted by the Shareholders at the extraordinary general meetings of the Company dated 17 January 2022 and 20 January 2023	HK\$265.6 million	Approximately HK\$139.2 million for the financing of the deep exploration of Henan Lingjin No. 1 Mine	As at the date of this announcement, all net proceeds have been fully utilized as intended use.
			Approximately HK\$41.7 million for the financing of the construction and setting up of cyanide-containing sewage desalination facilities	As at the date of this announcement, approximately HK\$29.7 million has been utilized as intended use. The remaining approximately HK\$12.0 million will be used according to the intended use.
			Approximately HK\$84.7 million as general working capital of the Group	As at the date of this announcement, approximately HK\$84.7 million will be used according to the intended use.

Save as disclosed above, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings.

“AGM”	the annual general meeting of the Company held on 23 May 2023
“Approval”	the granting by the Listing Committee of listing of, and permission to deal in, all of the Placing Shares on the Stock Exchange
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturdays, Sundays and public holidays and a day on which typhoon signal no. 8 or a black rainstorm warning is hoisted at any time in Hong Kong) on which banks are generally open for business in Hong Kong and in the PRC
“Company”	靈寶黃金集團股份有限公司 (Lingbao Gold Group Company Ltd.), a joint stock limited company established in the PRC on 27 September 2002, the H Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement
“Completion Date”	a date falling within five (5) Business Days after the fulfillment (or waiver) of the conditions set out in the Placing Agreement (or such later date as may be agreed between the parties to the Placing Agreement in writing)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary domestic share(s) of the Company with a nominal value of RMB0.20 each in the share capital of the Company

“General Mandate”	the general mandate granted by the Shareholders at the AGM, pursuant to which the Directors were authorised to allot, issue and deal with new Shares not exceeding 20% of the aggregate amount of Domestic Shares of the Company in issue and 20% of the aggregate nominal amount of H Shares of the Company in issue as at the date of passing the resolution, that is a total of 113,395,018 Domestic Shares and 59,454,800 H Shares
“Group”	collectively, the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“H Share(s)”	the overseas listed foreign share(s) of the Company with a nominal value of RMB0.20 each in the share capital of the Company which are listed on the Stock Exchange and are traded in Hong Kong dollars
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons and is not acting in concert (as defined in the Takeovers Code) with any of the connected persons of the Company or any of their respective associates (as defined under the Listing Rules)
“Last Trading Day”	20 February 2024, being the last trading day prior to the signing of the Placing Agreement, which took place after trading hours
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placees”	any professional, institutional or other investors who are Independent Third Parties, with whom the Placing Agent or its sub-agent(s) procure(s) to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares (i.e. a maximum of 32,538,000 new H Shares), on a best effort basis, by the Placing Agent to the Placees on the terms and subject to the conditions set out in the Placing Agreement

“Placing Agent”	Guotai Junan Securities (Hong Kong) Limited, a licensed corporation to carry on business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 21 February 2024 in relation to the Placing under the General Mandate
“Placing Price”	the price of HK\$1.34 per Placing Share
“Placing Share(s)”	up to 32,538,000 new H Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement which will rank <i>pari passu</i> in all respects with the H Shares in issue as at the date of allotment of the Placing Shares
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	collectively, the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong

“trading day” means a day on which the Stock Exchange is open for the trading of securities

“%” per cent

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

Lingbao City, Henan Province, the PRC

21 February 2024

As at the date of this announcement, the Board comprises five executive Directors, namely Mr. Chen Jianzheng, Mr. Xing Jiangze, Mr. He Chengqun, Mr. Dai Weitao and Mr. Wu Liming; two non-executive Directors, namely Mr. Zhang Feihu and Mr. Wang Guanran; and four independent non-executive Directors, namely Mr. Wang Guanghua, Mr. Wang Jiheng, Mr. Xu Rong and Mr. Tan Chong Huat.