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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 with limited liability)

(Stock code: 3330)

Profit Warning and Unusual Price and Volume Movement, Resumption of Trading

The Board wishes to announce that the Group's interim results for the six months ended 30 June 2007 will be worse than general market expectation and the net profits will be substantially lower than that for the corresponding period in 2006.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

The Board has noted increases in the trading price and trading volume of the Shares on 7 September 2007 and wishes to state that the Board is not aware of any reason for such increases.

Trading in the Shares on the Stock Exchange was suspended with effect from 11:50 a.m. on 7 September 2007 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 10 September 2007.

This announcement is made in accordance with Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The board of directors (the "Board") of Lingbao Gold Company Ltd. (the "Company" and together with its subsidiaries, the "Group") announces that although the Group recorded an increase in its turnover for the six months ended 30 June 2007, however, it is expected that the interim results will be worse than general market expectation and the net profits will be substantially lower than that for the corresponding period in 2006. The decrease in net profit for the six months ended 30 June 2007 was mainly due to:

- (1) the significant decrease in gross profit margin resulting from increase in the price of raw materials (gold and copper element); and
- (2) the significant drop in bank interest income and increase in finance cost due to the increase in bank loan for acquisition and expansion of mine operation to increase the Group's mine production of gold.

Further details of the Company's results and performance will be disclosed in the interim results for the six months ended 30 June 2007 which is expected to be announced on or around 13 September 2007.

The Board has noted increases in the trading price and trading volume of the Shares on 7 September 2007 and wishes to state that the Board is not aware of any reason for such increases.

The Board confirms that there are no negotiations or agreements relating to intended acquisitions or realisations, which are discloseable under Rule 13.23 of the Listing Rules, neither is the Board aware of, save as disclosed above, any matter discloseable under the general obligation imposed by Rule 13.09 of the Listing Rules, which is or may be of a price-sensitive nature.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Made by the order of the Board, the Directors of which individually and jointly accept responsibility for the accuracy of this statement.

Trading in the Shares on the Stock Exchange was suspended with effect from 11:50 a.m. on 7 September 2007 at the request of the Company pending the issue and publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 10 September 2007.

By order of the Board
Lingbao Gold Company Ltd.
Xu Gaoming
Chairman

Henan, the PRC, 7 September 2007

As at the date of this announcement, the Board comprises four executive directors, namely Mr. Xu Gaoming, Mr. Wang Jianguo, Mr. Lu Xiaozhao and Mr. Jin Guangcai; three non-executive directors, namely Mr. Xu Wanmin, Mr. Di Qinghua and Mr. Qi Guozhong; and four independent non-executive directors, namely Mr. Ning Jincheng, Mr. Wang Yanwu, Mr. Niu Zhongjie and Mr. Zheng Jinqiao.